

December 2007

**IRS Extends Date for Regulatory Compliance Under Code Section 409A until  
December 31, 2008**

Earlier this year, in response to requests from both the legal and business communities, the IRS in Notice 2007-78 provided limited relief from the December 31, 2007 deadline for regulatory compliance with Section 409A. Under Notice 2007-78, the IRS required that decisions as to the time and form of distribution from a plan subject to Section 409A be determined by December 31, 2007, but that the plan sponsor would have until December 31, 2008 to memorialize those decisions.

The IRS was advised that its relief was not sufficient for many companies. Now, in Notice 2007-86, the IRS has agreed to extend the December 31, 2007 regulatory deadline to December 31, 2008 and, for most purposes, extended for an additional year, the transitional relief under Section 409A. Also, in Notice 2007-89, the IRS indicated that for the 2007 calendar year, the plan sponsor is not required to report amounts deferred during the 2007 year under a nonqualified deferred compensation plan.