

Timeline for Completion of Failure Corrections as Outlined in the IRS Compliance Statement

A compliance statement is a written agreement demonstrating that the Internal Revenue Service ("IRS") has approved the correction methods set forth in the agreement, which will help bring the plan back into compliance with the Internal Revenue Code. The compliance statement is not a private letter ruling or a determination letter. The compliance statement does not affect the rights of any party under any other law.

When the IRS signs a compliance statement, it means the IRS agrees that the correction methods and the revised administrative procedures described in the statement are acceptable.

IRS guidance provides that the Ordinance amendments must be adopted as of the later of: (1) 150 days after the compliance statement is issued (11/21/2016); or (2) 91 days after the close of the first legislative session that begins more than 120 days after a favorable determination letter is issued. "Legislative session" would mean a scheduled meeting of the Milwaukee County Board of Supervisors.

Should the completion deadline be missed, the IRS could impose fines, and the tax qualified status of the plan could be lost. If the plan lost tax-qualified status, employer deductions for contributions made to the plan would be limited, all trust earnings would be taxable, tax-deferred rollovers to other qualified plans or IRAs would be disallowed (e.g., distributions, including backdrop payments and contribution refunds, could not be rolled over to a qualified plan or an IRA rollover account), and contributions would be subject to Social Security, Medicare and Federal Unemployment taxes.

Original VCP Submission to IRS	6/29/2007
Signed compliance statement	6/23/2016
Deadline for non-amendment corrections	11/21/2016

Required Ordinance Amendments

Ordinance Amendments	5/22/2014
<ul style="list-style-type: none">• Community Renewal Tax Relief Act of 2000 (CRA)• EGTRRA amendment to Code section 401(a)(17)• EGTRRA amendment to Code section 402• EGTRRA amendment to Code section 415(b)• EGTRRA amendment to Code section 415(c)• Final regulations under Code section 401(a)(9)• Final regulations under Code section 415• HEART Act• PPA amendment to Code section 408A(e)• PPA amendment to Code section 402(c)• Small Business Job Protection Act of 1996 (SBJPA) amendment to Code section 415(c)(3)	

Ordinance Amendments	12/29/2014
<ul style="list-style-type: none">• Section 201.24(8.17)• Section 201.24(11.1)• Section 201.24(11.11)• Section 201.24(12.4)	

Ordinance Amendments	Submitted for July cycle
<ul style="list-style-type: none">• Section 201.24(11.1)• Section 201.24(12.4)• Section 201.24(12.8)	

Receipt of determination letter	TBD
Deadline for Ordinance amendments	TBD