

Notice of Proposed Rulemaking
and Notice of Public Hearing

Section 411(d)(6) Protected
Benefits (Taxpayer Relief Act of
1997); Qualified Retirement
Plan Benefits

REG-101363-98

AGENCY: Internal Revenue Service
(IRS), Treasury.

ACTION: Notice of proposed rulemak-
ing by cross-reference to temporary regu-
lations.

SUMMARY: In T.D. 8781, page 4, the
IRS is issuing temporary regulations pro-
viding for changes to the rules regarding
qualified retirement plan benefits that are
protected from reduction by plan amend-
ment, that have been made necessary by
the Taxpayer Relief Act of 1997. The text
of those temporary regulations also serves
as the text of these proposed regulations.

DATES: Written comments and requests
for a public hearing must be received by
December 3, 1998.

ADDRESSES: Send submissions to:
CC:DOM:CORP:R (REG-101363-98),
room 5228, Internal Revenue Service,
POB 7604, Ben Franklin Station, Wash-
ington, DC 20044. Submissions may be
hand delivered between the hours of 8
a.m. and 5 p.m. to: CC:DOM:CORP:R
(REG-101363-98), Courier's Desk, In-
ternal Revenue Service, 1111 Constitution
Avenue NW., Washington, DC. Alterna-
tively, taxpayers may submit comments
electronically via the internet by selecting
the "Tax Regs" option on the IRS Home
Page, or by submitting comments directly
to the IRS internet site at [http://www.irs/
ustreas.gov/prod/tax_regs/comments.html](http://www.irs/ustreas.gov/prod/tax_regs/comments.html).

FOR FURTHER INFORMATION CON-
TACT: Concerning the regulations, Linda
S. F. Marshall, (202) 622-6030 (not a toll-
free call); concerning submissions,
Michael Slaughter, (202) 622-7190 (not a
toll-free call).

SUPPLEMENTARY INFORMATION:

Background

Temporary regulations in T.D. 8781
amend the Income Tax Regulations (26
CFR part 1) relating to section 411(d)(6),
to provide for changes that have been
made necessary by the Taxpayer Relief
Act of 1997 (TRA '97), Public Law
105-34, 111 Stat. 788 (1997). The tem-
porary regulations change the existing
regulations to conform with the TRA '97
rules regarding in-kind distribution re-
quirements for certain employee stock
ownership plans, and specify the time pe-
riod during which certain plan amend-
ments for which relief has been granted
by TRA '97 may be made without violat-
ing the prohibition against plan amend-
ments that reduce accrued benefits.

The text of those temporary regulations
also serves as the text of these proposed
regulations. The preamble to the tempo-
rary regulations explains the temporary
regulations.

Special Analyses

It has been determined that this notice
of proposed rulemaking is not a signifi-
cant regulatory action as defined in EO
12866. Therefore, a regulatory assess-
ment is not required. It also has been de-
termined that section 553(b) of the Ad-
ministrative Procedure Act (5 U.S.C.
chapter 5) does not apply to these regula-
tions, and because the regulation does not
impose a collection of information on
small entities, the Regulatory Flexibility
Act (5 U.S.C. chapter 6) does not apply.
Pursuant to section 7805(f) of the Internal
Revenue Code, this notice of proposed
rulemaking will be submitted to the Chief
Counsel for Advocacy of the Small Busi-
ness Administration for comment on its
impact on small business.

*Comments and Requests for a Public
Hearing*

Before these proposed regulations are
adopted as final regulations, considera-
tion will be given to any written com-
ments (a signed original and eight (8)

copies) that are submitted timely to the
IRS. All comments will be available for
public inspection and copying. A public
hearing may be scheduled if requested in
writing by any person that timely submits
written comments. If a public hearing is
scheduled, notice of the date, time, and
place for the hearing will be published in
the **Federal Register**.

Drafting Information

The principal author of these regula-
tions is Linda S. F. Marshall, Office of the
Associate Chief Counsel (Employee Ben-
efits and Exempt Organizations). How-
ever, other personnel from the IRS and
Treasury Department participated in their
development.

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Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is pro-
posed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for
part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.411(d)-4 is amended
by:

1. Revising paragraph (d)(1)(ii) of
Q&A-2.
2. Adding Q&A-11.

The addition and revisions read as fol-
lows:

*§1.411(d)-4 Section 411(d)(6) protected
benefits.*

* * * * *

Q&A-2 * * *

(d)(1)(ii) [The text of proposed para-
graph (d)(1)(ii) of Q&A-2 is the same as
the text of §1.411(d)-4T Q&A-2(d)(1)(ii)
published in T.D. 8781.]

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Q&A-11 [The text of proposed Q&A-
11 is the same as the text of §1.411(d)-4T
Q&A-11 published in T.D. 8781.]

Michael P. Dolan,
*Deputy Commissioner of
Internal Revenue.*