



April 27, 2016

VIA ELECTRONIC SUBMISSION

The Honorable William J. Wilkins
Chief Counsel
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, DC 20224
Notice.Comments@irs.counsel.treas.gov

Re: Withdrawal of Proposed Nondiscrimination Rules Applicable to Certain Qualified Retirement Plan Benefit Formulas, Announcement 2016-16

Dear Mr. Wilkins:

The Office of Advocacy (Advocacy) thanks the Internal Revenue Service (IRS) and the Department of Treasury (Treasury) for the above-referenced announcement¹, issued on April 14, 2016, that withdraws certain provisions of proposed regulations² published on January 29, 2016, relating to nondiscrimination requirements applicable to qualified retirement plans. The IRS and Treasury are withdrawing the provisions of the proposed regulations that would have added a "reasonable business" classification requirement for a nondiscrimination test.

At a small business roundtable hosted by Advocacy on March 24, 2016, small business owners and representatives expressed concern to Treasury staff in attendance that the reasonable business classification test contained in the proposed regulations would have imposed burdens on small business owners who sponsor retirement plans and that the burdens associated with the new requirement would have ultimately discouraged small business owners from offering plans. Advocacy commends Treasury and the IRS for listening to small business concerns raised at Advocacy's roundtable.

¹ <https://www.irs.gov/pub/irs-drop/a-16-16.pdf>.

² 81 Fed. Reg. 4976.



Advocacy looks forward to continuing to work with the IRS and Treasury in the future to determine ways to reduce the burdens faced by small businesses. If you have any questions or require additional information please contact me or Assistant Chief Counsel Dillon Taylor at (202) 401-9787 or by email at Dillon.Taylor@sba.gov.

Sincerely,



The Honorable Darryl L. DePriest
Chief Counsel
Office of Advocacy
U.S. Small Business Administration



Dillon Taylor
Assistant Chief Counsel
Office of Advocacy
U.S. Small Business Administration

Copy to: The Honorable Howard Shelanski
Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget