**Pensions**

**IRS, Treasury to Prohibit Lump Sum Pension Buyouts**

The IRS and Treasury department have announced their intention to amend the IRC Section 401(a)(9) required minimum distribution rules in order to prohibit most defined benefit pension plan sponsors from offering lump sum payments as an alternative to annuity payouts for plan participants.  The new rules will apply to any joint and survivor, single life or other annuity now being paid under a defined benefit pension plan, and will technically serve to prohibit any acceleration in the annuity payment period.  Read More

Link to TF question 3805

**Affordable Care Act**

**Mid-Sized Employers Have Additional Time to Comply With ACA Employer Mandate**

Many applicable large employers who employ 50 or more full-time employees will not be required to comply with the ACA employer mandate until January 1, 2016 if the employer employs between 50 and 99 full-time employees.  These mid-sized employers who currently offer health coverage on a non-calendar year basis may have even more time to comply as long as the plan year was not changed so that it begins on a date that is later in the year after February 9, 2014 (the date final regulations were issued).   Read More

Link to TF question 420.01

**Qualified Plans**

**Tax Court Finds Hardship Distributions Subject to Penalty Tax**

The Tax Court in *Preston L. Kott v. Commissioner* TC Summary Opinion 2015-42 recently found that hardship distributions made from a taxpayer's 401(k) plan in order to avoid foreclosure on a principal residence were subject to a 10 percent penalty tax under IRC Section 72(t)(1).  The court rejected the taxpayer's argument that distributions made due to financial hardship under the Section 401(k) regulations are exempt from the Section 72(t) excise tax because such an exception is not specifically contained in Section 72(t).   Read More

Link to TF question 3730

**Featured Article**

**Annuities**

**Does the QLAC Fit?--Pros and Cons of an Emerging Product**

Qualified longevity annuity contracts (QLACs) were first introduced more than three years ago, hailed as an important new tool for protecting against the risk of outliving retirement savings.  Though many insurance carriers have jumped on board and now offer these products, many clients remain on the fence as to whether QLACs belong in their retirement income portfolios.   Read More

Link to Advisor’s Journal article QLAC Pros and Cons