

April 10, 2007

TREASURY RELEASES FINAL §409A REGULATIONS

On April 10, 2007, the Treasury Department and the IRS issued final regulations for implementing the requirements of Internal Revenue Code §409A (§409A) that apply to nonqualified deferred compensation arrangements. The final regulations, which approach 400 pages in length, become effective January 1, 2008. In general, the final regulations incorporate the rules contained in the proposed regulations released in September 2005 and provide additional clarification and/or guidance necessary for plan sponsors to bring their arrangements into documentary compliance with the requirements of §409A by December 31, 2007.

Clark Consulting will be providing a more comprehensive analysis of the final regulations, highlighting key issues associated with our clients' nonqualified benefit programs. Clark Consulting will also be hosting a client teleconference to discuss these regulations and their impact on sponsors of nonqualified benefit programs. Further details on this teleconference will be provided to you as they become available.

Please visit <http://www.treas.gov/press/releases/reports/td9321.pdf> if you would like to obtain a complete copy of the final regulations.

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For additional information, please contact your Clark Consulting representative.

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