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**ASPPA OPPOSES PROPOSED NEW DEFINITION OF NORMAL RETIREMENT AGE**

**March 14, 2005-** (*Arlington, Va.*) – ASPPA Executive Director/CEO, Brian H. Graff, Esq., APM provided testimony today at an Internal Revenue Service (IRS) hearing on a proposed amendment regarding Distributions from a Pension Plan Under a Phased Retirement Program (REG-114726-04).

The proposed regulation would amend Treas. Reg. §1.401(a)-1(b)(1)(i) to provide that the normal retirement age, “cannot be earlier than the earliest age that is reasonably representative of a typical retirement age for the covered workforce.”

Graff said, “This restriction would affect many plan sponsors having no current interest in phased retirement. Under this proposal, these plan sponsors would have to change their definitions of normal retirement age. In many cases, a change in a plan’s definition of normal retirement age would require changes in numerous other plan provisions in order to ensure that the plan continues to meet its sponsor’s objectives.”

Graff described how the new restriction would be difficult or impossible for many plan sponsors and examiners to interpret, particularly in the case of small plans, most of which would not be candidates for adoption of phased early retirement programs.

“Retirement patterns are constantly changing with economic cycles and long-term social changes. In addition, many workforces are composed of diverse groups such that a single ‘representative’ retirement age is not a workable standard,” concluded Graff.

ASPPA, a national organization made up of more than 5,400 retirement plan professionals. ASPPA is the only organization comprised exclusively of pension professionals that actively advocates for legislative and regulatory changes to expand and improve the private retirement system. In addition, ASPPA offers an extensive credentialing program with a reputation for high-quality training that is thorough and specialized. ASPPA credentials are bestowed upon actuaries, administrators, pension consultants and other professionals associated with the retirement plan industry.

For more information visit [www.asppa.org](http://www.asppa.org). To download ASPPA's full comments on proposals regarding selection of normal retirement age, visit <http://www.asppa.org/archive/gac/2005/2005-02-02-nra.htm>.

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