

# Section 409A

## Transition and Correction Issues

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# Section 409A-Overview

- Deferred compensation
- Basic requirements
  - Elections
  - Distribution timing rules
  - Anti-acceleration
  - Changes
  - Key employees
- Penalties

# Types of Plans

- Deferral plans
- SERPs
- Severance
- Deferred bonus plans
- Options
- Earn-outs
- Miscellaneous

# Exceptions

- Statutory
- Short-term deferral
- Separation pay

# Effective date

- Statute
- Regulations
- Transition guidance

# Transition issues

- Written plan
- Change in time and form
- Options
- Withholding and reporting
- Others

# Correction

- General applicability
- Changes made in same year of error
- Changes made in later year
- Anticipation of future guidance