

## Don't Let the 403(b) Cycle 2 Restatement Deadline Sneak Up on You



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If your organization sponsors a pre-approved 403(b) plan, an important compliance deadline looms on the horizon. The Internal Revenue Service (IRS) requires employers maintaining a pre-approved 403(b) plan to adopt a restated plan document (formally referred to as a Cycle 2 restatement) by **December 31, 2026** to maintain reliance on the IRS approval.

A Cycle 2 restatement is more than just another plan amendment. It is a comprehensive update and replacement of your plan document that incorporates changes in applicable law and IRS guidance since the last 403(b) pre-approved plan cycle. By adopting the restated document, plan sponsors maintain reliance on the IRS opinion letter issued for the pre-approved plan and help ensure that the plan's written terms continue to satisfy current Tax Code requirements.

The restatement requirement generally applies even if your organization has not recently made changes to the plan. In many cases, the process also provides a valuable opportunity to review discretionary plan provisions, to confirm the plan document accurately reflects current plan operations and administrative practices, and to evaluate whether any plan design changes should be considered.

Although the deadline may seem distant, year-end compliance projects have a way of arriving sooner than expected. Plan sponsors should allow adequate time to review the restated document with their advisor(s), obtain any necessary internal approvals, and complete the adoption process before the December 31, 2026 deadline. Timely adoption of the restated plan document is important to maintain compliance with IRS requirements applicable to pre-approved 403(b) plans.

One point that may cause confusion is that the Cycle 2 restatement and SECURE 2.0 amendments are not always being handled at the same time. Many document providers are providing the Cycle 2 restatement and then intending to separately issue a SECURE 2.0 amendment later this year. As a result, plan sponsors may receive additional plan document updates relating to SECURE 2.0 (which are also required to be adopted by 12/31/2026). This is generally expected and does not necessarily indicate that anything was missed as part of the restatement process. (See last week's SECURE 2.0 amendment article linked [here](#).)

If your organization has not yet completed its 403(b) plan Cycle 2 restatement, now is a good time to begin planning.

Please contact your Boutwell Fay attorney if you have any questions regarding the restatement requirements or would like assistance completing your plan's Cycle 2 restatement.

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