

# IRS Issues Guidance Clarifying Tax Reform Changes to Section 162(m)

August 27, 2018 | Client Update

On August 21, 2018, the IRS issued Notice 2018-68, which provides initial guidance on two aspects of the amendments to Section 162(m) of the Internal Revenue Code made by the Tax Cuts and Jobs Act:

- how to identify the expanded group of employees who are covered by new Section 162(m); and
- how a plan or agreement can qualify as grandfathered from new Section 162(m).

This memorandum summarizes this guidance, as well as the additional aspects of new Section 162(m) about which the IRS is seeking comment.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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