

# 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.

**Jeffrey P. Crandall**

+1 212 450 4880  
jeffrey.crandall@davispolk.com

**Edmond T. FitzGerald**

+1 212 450 4644  
edmond.fitzgerald@davispolk.com

**Kyoko Takahashi Lin**

+1 212 450 4706  
kyoko.lin@davispolk.com

**Veronica M. Wissel**

+1 212 450 4794  
veronica.wissel@davispolk.com

---

*This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.*

## Related materials

[Read the full update](#)