

Effects of Extended Tax Filing on Benefit Plans

By: Alex Mattingly on April 5, 2021 on graydon.law

Similar to the relief granted in 2020, the IRS has again announced special filing and payment relief deadlines for individuals in response to COVID-19 through [Notice 2021-21](#). The Notice postpones the Federal income tax return and payment due dates from April 15, 2021 to May 17, 2021. The IRS guidance also affects the world of benefit plans, and will result in the following changes:

- The 10% additional tax assessed on a distribution from a retirement plan (e.g., tax assessed from a withdrawal of elective deferrals before age 59 ½) due date for reporting and payment has been postponed from April 15, 2020 to May 17, 2021.
- Excess deferrals made to a retirement plan in 2020 must still be removed from the plan no later than April 15, 2021 in order to exclude the distributions from income; no extension was provided by the Notice.
- Lastly, the deadline to make contributions to an HSA for 2020 or to an IRA for 2020 has been extended from April 15, 2020 to May 17, 2021.

If you have any questions regarding this guidance, contact a Graydon Employee Benefits attorney.