

Extensions for Benefit Plans Granted by the IRS

By: Alex Mattingly on April 20, 2020 on graydon.law

Earlier this month, the IRS announced that it had extended deadlines for filing federal income tax returns and making tax payments due to the COVID-19 pandemic, which had [a small effect on benefit plans](#). The IRS has since amplified this relief through Notice 2020-23 and provided additional relief that is more significant for benefit plans.

Specifically, the IRS extended the due date to July 15, 2020 for any person performing a time-sensitive action listed in Rev. Proc 2018-58 due on or after April 1, 2020 through July 14, 2020. The extension granted by this relief is automatic; an employer does not have to submit a letter or any other request with the IRS to be considered timely for any of the qualifying actions.

The list of specified time-sensitive actions in Rev. Proc. 2018-58 is vast, including over 40 different actions affecting benefit plans. The Notice therefore extends the deadline to July 15, 2020 for many benefit plan administrative actions, including the filing of Form 5500, correcting excess contributions, making plan loan repayments, and accepting indirect rollover contributions.

It is important to appreciate that the scope of this relief is limited; an extension is granted only if the deadline for the time-sensitive action falls between April 1, 2020 and July 14, 2020. For example, Form 5500 filing deadlines are only extended for plans that are required to file between April 1 and July 14, which would include plans with September, October, or November plan year ends, or plans with June or July plan year ends that received an extension. Calendar year end plans are notably not given an extension by the Notice.

Likewise, a plan may extend the deadline for accepting indirect rollovers from 60-days following the date of a qualified distribution to July 15, 2020, but only for qualified distributions made between February 1, 2020 to May 15, 2020 (i.e., the extension only applies for distributions where the 60-day period expires between April 1, 2020 and July 14, 2020).

The IRS extension, where applicable, provides relief for plan sponsor, administrators, and service providers as they seek to stretch resources. If you have any questions regarding this

extension, or regarding any other COVID-19 benefits-related issues, please contact any of Graydon's employee benefits attorneys.