



April 2020

PENSION ANALYST COMPLIANCE BULLETIN



Prudential
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IRS and PBGC extend deadlines due to COVID-19

In March, the IRS extended 2019 Federal income tax return filing and payment deadlines to July 15 for all taxpayers with an April 15 deadline in response to the coronavirus national emergency. The IRS also provided answers on its website to frequently asked questions regarding this extension. This guidance was discussed in our March 2020 Pension Analyst titled, [CARES Act includes retirement plan relief](#).

On April 9, the IRS granted additional relief in [Notice 2020-23](#), which extends until July 15, 2020, certain deadlines that are otherwise due between April 1, 2020 and July 14, 2020. This publication highlights some of the key deadline extensions for sponsors of and participants in defined contribution and defined benefit plans during this challenging time. For a complete list of IRS deadlines that are extended by this guidance, see our December 2018 Compliance Bulletin titled, [IRS extends deadlines in disaster relief situations](#).

In response to the IRS guidance, the Pension Benefit Guaranty Corporation (PBGC) also [extended deadlines](#) applicable to defined benefit plans. Under this relief, the deadlines for premium payments and certain other required filings that otherwise would be due on or after April 1, 2020 and before July 15, 2020 are also extended to July 15, 2020.

Highlights of IRS relief

Among other extensions, the IRS extends the following deadlines until July 15, 2020:

- The due dates for making plan loan repayments for the period on or after April 1, 2020 and before July 15, 2020. This is a separate extension from the longer CARES Act loan repayment delay. Participants do not have to meet certain eligibility requirements to qualify for this due date extension.
- The 60-day indirect rollover period, if the rollover period would have ended on or after April 1, 2020 before July 15, 2020. As a result of this extension, employees who may have received a required minimum distribution for 2020 but are no longer required to take it due to the CARES Act, may have additional time to roll the distribution over to an eligible retirement plan or IRA;
- The deadline for filing Form 5500, Annual Return/Report of Employee Benefit Plan for filings due on or after April 1, 2020 and before July 15, 2020. This extended deadline may provide an extension for plans with a non-calendar plan year, but does not impact Form 5500 deadlines for calendar year plans; and
- The date to remove excess deferrals from a 401(k) plan or 403(b) plan is extended from April 15, 2020 to July 15, 2020. The deadline for excess deferrals for 457(b) plans remains at April 15.

Extended PBGC due dates

When the IRS provides relief due to a major disaster by delaying the Form 5500 due date, PBGC's disaster relief policy similarly extends many PBGC due dates. As a result, the deadlines for PBGC premium payments, Financial and Actuarial Information Reporting ("4010 filings"), and other required filings that would otherwise be due on or after April 1, 2020 and before July 15, 2020 are extended to July 15, 2020.

The PBGC relief does not apply to certain filings that involve particularly important or time-sensitive information where there may be a high risk of substantial harm to participants or the PBGC's insurance program, including:

- Advance notices of reportable events;
- Notices of large missed contributions;

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- Post-event notices for the following five reportable events:
 - Failures to make required contributions under \$1 million;
 - Inability to pay benefits when due;
 - Liquidation;
 - Loan default; or
 - Insolvency or similar settlement.
- Actions related to distress terminations for which PBGC has issued a distribution notice.

Next steps

Prudential will be providing more information regarding the IRS loan repayment deadline relief in the near future.

To take advantage of the PBGC relief, or to request case-by-case relief for exceptions described above, defined benefit sponsors should follow [the instructions on the PBGC website](#).

Prudential Retirement continues to work with industry groups to encourage federal agencies to issue additional guidance to assist plan sponsors and participants during this difficult time. We will keep you posted as guidance is issued.

Compliance Bulletin by Prudential Retirement

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