



IRS gives retirement plans more pandemic relief

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IRS [Notice 2020-35](#) extends until July 15 the deadline for certain retirement plan filings and other actions normally due from March 30 through July 14. The deadline extension expands the agency's earlier pandemic relief in [Notice 2020-23](#). The new guidance also formalizes IRS's extension of the initial 403(b) plan remedial amendment period (RAP) until June 30 and the second RAP for preapproved defined benefit (DB) plans until July 31. IRS previously announced both RAP extensions on its [website](#).

More filings and actions now due by July 15

The previous relief applied to a wide set of actions for DB and defined contribution (DC) plans, including filing the Form 5500 series and correcting actual deferral percentage (ADP) and actual contribution percentage (ACP) testing failures, among other actions. The new, more targeted relief extends the deadline for the following actions otherwise due from March 30 through July 14:

- For single-employer DB plans:
 - **Applications for funding waivers.** These are normally due the 15th day of the third month after the end of the plan year to which the waiver relates, so this extension will be useful only for sponsors seeking waivers for plan years starting Feb. 1, March 1, or April 1, 2019. But note that the Coronavirus Aid, Relief and Economic Security (CARES) Act has extended the deadline to Jan. 1, 2021, for contributions due during 2020, including all quarterly and plan year-end contributions.
 - **Requests to use substitute mortality tables.** These are ordinarily due seven months before the beginning of the plan year for which the request is made — June 1, 2020, for calendar-year plans seeking to use substitute mortality tables for 2021.

- For multiemployer DB plans:
 - Certification of funded status and distribution of related notices to interested parties
 - Adoption of a funding improvement or rehabilitation plan and distribution of the required notice to the bargaining parties
 - Annual updates to the funding improvement or rehabilitation plan and related contribution schedules, and filing of the updates with the Form 5500
- For cooperative and small-employer charity (CSEC) plans:
 - Making required annual contributions and quarterly installments
 - Adopting a funding restoration plan
 - Certifying a plan's funded status

The deadline extension also gives plans more time to file [Form 5330](#), Return of Excise Taxes Related to Employee Benefit Plans, and pay any excise tax. In addition, plans have until July 15 to complete corrections, including to adopt corrective amendments, required by a compliance statement under the Voluntary Compliance Program (VCP) of the Employee Plans Compliance Resolution System (EPCRS).

RAP extensions

Extended initial RAP for 403(b) plans. Sponsors of 403(b) plans that adopted a formal plan document by Dec. 31, 2009, had until March 31, 2020, to fix any document defects. That deadline is now June 30, 2020. Sponsors can fix defects by amending their plans or adopting a preapproved 403(b) plan document.

Extended second RAP for preapproved DB plans. The second six-year RAP for preapproved DB plans now ends on July 31, not instead of April 30. This is the deadline for employers using preapproved DB plan documents to:

- Adopt a new plan document that received IRS approval based on the 2012 Cumulative List of Changes in Retirement Plan Qualification Requirements ([Notice 2012-76](#))
- Submit a determination letter application for a modified volume submitter plan under the second RAP
- Take any other action otherwise required to correct disqualifying provisions that is due by the end of the second RAP

Related resources

Non-Mercer resources

- [Notice 2020-35](#) (IRS, May 28, 2020)
- [Notice 2020-23](#) (IRS, April 9, 2020)
- [Deadlines extended for 403\(b\) plans and preapproved defined benefit plans](#) (IRS, March 27, 2020)

Mercer Law & Policy resources

- [Pension funding relief features in House-passed aid bill](#) (May 18, 2020)
- [IRS releases FAQs on CARES Act distributions and loans](#) (May 5, 2020)
- [Keeping track of COVID-19 laws affecting employee benefits, jobs](#) (May 4, 2020)
- [DOL gives retirement plans and participants pandemic relief](#) (April 30, 2020)
- [Suspending 401\(k\) match raises compliance issues](#) (April 28, 2020)
- [Mercer urges additional funding relief for DB plans](#) (April 13, 2020)
- [Delving into CARES Act relief for retirement plan participants](#) (April 10, 2020)
- [SECURE, CARES acts change rules on required minimum distributions](#) (April 7, 2020)
- [IRS extends preapproved DB, 403\(b\) plan adoption deadlines](#) (April 6, 2020)
- [Stimulus bill gives DB funding relief, access to DC savings](#) (March 26, 2020)

Other Mercer resources

- [Stay informed on the coronavirus](#) (regularly updated)
- [Martine Ferland's letter asking Senate leaders for more pension funding relief](#) (Mercer, April 7, 2020)

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