

Employee Benefit Plans Alert

Deadlines Extended for 403(b) Plans and Pre-Approved Defined Benefit Plans

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This Alert provides recently-issued information by the IRS which affects and extends the timing of when retirement plan documents need to be adopted.

403(b) Plans

The IRS is extending the last day of the initial remedial amendment period for **Section 403(b) plans** from March 31, 2020 to June 30, 2020. Plan sponsors now have until **June 30, 2020** to update their pre-approved and individually designed 403(b) plan documents.

This is welcomed relief to many employers who have not been able to finalize their plan documents, and many smaller not-for-profit entities that were unaware of the IRS imposed deadline.

[Revenue Procedure 2019-39 \(PDF\)](#) provides a system of recurring remedial amendment periods for correcting form defects for both individually designed and pre-approved 403(b) plans.

Future guidance: The IRS intends to issue guidance to modify Revenue Procedure 2019-39 to replace applicable references to March 31, 2020 with June 30, 2020. For example, the rules for the recurring remedial amendment periods for 403(b) individually designed plans now will apply to form defects first occurring after June 30, 2020, and the second cycle for 403(b) pre-approved plans will begin on July 1, 2020.

Extended Deadlines for Pre-Approved Defined Benefit Plans

The second plan document extension relates to defined benefit plans with extension of the second six-year remedial amendment cycle. The IRS is extending the following deadlines to **July 31, 2020**:

1. the April 30, 2020 deadline for employers to adopt a pre-approved defined benefit plan and to submit a determination letter application (if eligible) under the second six-year remedial amendment cycle, and
2. the April 30, 2020 end of the second six-year remedial amendment cycle for pre-approved defined benefit plans as set forth in [Announcement 2018-05 \(PDF\)](#).

An employer that adopts by July 31, 2020 a pre-approved defined benefit plan that was approved based on the 2012 Cumulative List will be considered to have timely adopted the plan within the second six-year remedial amendment cycle. The remedial amendment period for disqualifying provisions described in section 15.03 of [Rev. Proc. 2016-37 \(PDF\)](#) is also extended to the end of the second six-year remedial amendment cycle.

Delayed beginning date for third six-year remedial amendment cycle: The third six-year remedial amendment cycle for pre-approved defined benefit plans now will begin on August 1, 2020 (and will still end on January 31, 2025). The on-cycle submission period for pre-approved defined benefit plan providers to submit opinion letter applications for the third six-year remedial amendment cycle will still begin on August 1, 2020 and end on July 31, 2021.

Future guidance: The extensions to the second six-year remedial amendment cycle and the delayed beginning date for the third six-year remedial amendment cycle for pre-approved defined benefit plans will be reflected in future guidance.

Contact Us

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