Description for October 21, Webinar

2020 has been a very strange year in so many ways. The Pandemic has had a dramatic impact on the business community, primarily small businesses, though many large firms have also failed or have at least declared bankruptcy. All these economic changes have had an impact on retirement plans. Some companies are terminating their plans as a result of the business shut downs. Not everybody has been concerned with “proper” shutdowns. Among the issues we have addressed as advisers has been, whether or not an employer can afford to go through the expense of restating their plan prior to its termination.

This year has been particularly unique as we saw the end of the first ever 403(b) restatement cycle, the end of the second restatement cycle (PPA) for defined benefit plans and the opening of the 3rd restatement cycle for Defined Contributions plans all within months of each other. With all the forced business shut downs, not everybody has been able to get the necessary signatures to timely amend documents. What new relief is available for missed restatements?

The American Miner’s Act changed the minimum age for in-service distributions from defined benefit and money purchase pension plans. The question for those wishing to take advantage of the new rules is the deadline for executing the amendment. Plans must be amended to reflect both the SECURE and CARES Acts, but we have until 2022 to complete that amendment. It is how we have operated plans that impacts how those amendments are accomplished. Employers could have adopted provisions relating to Covid Related Distributions (CRDs), even if they didn’t it is possible for participants to elect to treat certain distributions as CRDs. Will employees with outstanding loan balances when they terminate, be able to convert the remaining loan balances into CRDs?

In 2021, will we see some employers decide that they want to safe harbor their 401(k) plans for 2020? Has the Payroll Protection Program impacted plan operation and funding?

Join the discussion on what your clients’ plans may look like after Covid 19.