



Insights

IRS Provides Guidance For HSAs and Retirement Plans

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The IRS provided special relief from the April 15, 2020, Federal income tax return filing and payment deadline in response to the ongoing COVID-19 emergency, in Notices 2020-18 and -17. That relief allows many individuals and businesses until July 15, 2020, instead of April 15, 2020, to file their 2019 tax returns and to pay their income taxes. Although these extensions were well received, they also raised many follow up questions that were not addressed in the Notices, particularly regarding various other deadlines that are related in some way to tax return due dates.

On March 24th the IRS attempted to answer the questions that had arisen by issuing a series of Q&A's. Some of the Q&A's that provide additional information related to contribution and filing deadlines for HSAs and qualified employer retirement plans are summarized below:

- Contributions to Health Savings Accounts (HSAs) made on or before July 15, 2020 may be designated as 2019 contributions.
- Employers with a federal income tax return due date of April 15, 2020 may make deductible contributions to a qualified retirement plan that are treated as made on account of the 2019 tax year, until July 15, 2020.
- While the individual tax return deadline was postponed from April 15, 2020 to July 15, 2020, information returns (e.g., Form 5500) due April 15, 2020 are NOT automatically extended.
- Similarly, the April 15, 2020 deadline for removing 2019 excess elective deferrals from an employer's retirement plan has not been extended.