



TaxNewsFlash

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Notice 2020-68: Retirement plan Q&As

The IRS today released an advance version of Notice 2020-68 that provides in “question and answer” (Q&A) format guidance concerning implementation of the “Setting Every Community Up for Retirement Enhancement Act of 2019” (SECURE Act) and provisions of legislation referred to as the “Bipartisan American Miners Act of 2019” (Miners Act).

Notice 2020-68 [PDF 179 KB] addresses the following measures of the SECURE Act and Miners Act (the last two items below):

- Small employer automatic enrollment credit
- Repeal of maximum age for traditional IRA contributions
- Participation of long-term, part-time employees in section 401(k) plans
- Qualified birth or adoption distributions
- Permitting excluded difficulty of care payments to be taken into account as compensation for purposes of determining certain retirement contribution limitations
- Reduction in minimum age for in-service distributions (Miners Act)
- Guidance on deadlines for plan amendments (Miners Act)

Notice 2020-68 cautions that it is not intended to provide comprehensive guidance, and that the IRS and Treasury Department will continue to analyze the various provisions of the SECURE Act and the Miners Act and anticipate issuing further guidance, including regulations, as appropriate.

Notice 2020-68 includes a request for comments, and specifically comments concerning how to reduce potential administrative burdens related to counting years of service beginning before January 1, 2021, for purposes of determining a long-term, part-time employee’s nonforfeitable right to employer contributions pursuant to the SECURE Act measures while still complying with the requirements of sections 401(k)(15)(B)(iii) and 411(a)(4).

Comments are due on or before November 2, 2020.

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