



TaxNewsFlash

United States



No. 2020-699
November 16, 2020

Notice 2020-82: Contributions to defined benefit plans, extended due date (COVID-19)

The IRS today released an advance version of Notice 2020-82 announcing a contribution to a single-employer defined benefit pension plan with an extended due date of January 1, 2021, will be treated as timely if it is made no later than January 4, 2021 (which is the first business day after January 1, 2021).

Read [Notice 2020-82](#) [PDF 20 KB]

Background

A provision of the “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) (Pub. L. No. 116-136) provides that any minimum required contribution that would otherwise be due under section 430(j) during calendar year 2020 is due on January 1, 2021.

The IRS in August 2020 issued Notice 2020-61 as guidance regarding the extension of time for single-employer defined benefit plan contributions under the CARES Act provision. Read [TaxNewsFlash](#)

Notice 2020-82

Today’s notice notes that the purpose of the extended due date for contributions to January 1, 2021, is to allow employers sponsoring these plans to defer these payment obligations until calendar year 2021, but as further noted, financial institutions cannot transfer funds on the January 1, 2021 due date and thus employers would need to make these contributions prior to January 1, 2021 (which would be inconsistent with the legislative intent to defer the payment obligation until calendar year 2021).

Notice 2020-82 therefore provides that:

- The IRS will treat a contribution with an extended due date of January 1, 2021, pursuant to the CARES Act as timely if it is made no later than January 4, 2021 (which is the first business day after January 1, 2021).
- For a contribution that is made by January 4, 2021, and treated as timely, the amount of the minimum required contribution that is satisfied by the contribution (and the amount that may be

added to the plan's prefunding balance on account of any excess contribution) is determined by computing the applicable interest adjustment using the actual contribution date.

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)