

IRS Extends Deadline to Restate 403(b) Plans

By James K. Shaw

403(b) plans were originally required to be restated by March 31, 2020 in order to comply with current law. In response to the COVID-19 pandemic, the IRS announced that this deadline has been extended to June 30, 2020 for plan sponsors to restate their 403(b) plans.

Sponsors of 403(b) plans should check with their document providers (e.g. TIAA) to determine whether their 403(b) plan has already been restated. If not, they should make arrangements to restate their 403(b) plan by the June 30, 2020 deadline.

As part of the restatement process, plan sponsors should confirm that they are eligible to sponsor a 403(b) plan (e.g. for example, they have tax-exempt status under Internal Revenue Code Section 501(c)(3)). Also, if the 403(b) plan was in existence prior to 2010, there should be a signed 403(b) plan document dated not later than December 31, 2009. Finally, if there are any desired design changes to the 403(b) plan, they may be made as part of this restatement.

Should you have any questions on these issues, please contact us.

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