



Relief for Texas Winter Storm Victims

IRS extends tax deadlines, including for retirement plans.

March 2021

KEY POINTS:

- The IRS extended tax relief to individuals and businesses impacted by winter storms in Texas by extending certain tax deadlines until June 15, 2021.
 - The relief includes the extension of certain deadlines relevant to retirement plans, IRAs, and 529 plans.
 - Deadlines under the jurisdiction of the DOL are not extended by this guidance.
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On February 22, 2021, the Internal Revenue Service ("IRS") announced that it was providing tax relief to individuals and households affected by severe winter storms who reside or have a business in all 254 Texas counties.

Tax deadlines falling on or after February 11, 2021, and before June 15, 2021 are postponed through June 15, 2021. This includes 2020 individual tax returns due on April 15. Impacted taxpayers also have until June 15 to make 2020 IRA contributions.

ABOUT THE RELIEF

The IRS announcement extends a number of other tax-related deadlines described in Revenue Procedure 2018-58, including certain deadlines relevant to retirement plans, IRAs, and 529 plans.

The following key deadlines falling on or after February 11, 2021 and before June 15, 2021, are now extended until June 15, 2021.

Due dates for making loan repayments

While we have no official IRS guidance, we believe that interest continues to accrue, that loans can be reamortized when repayments resume, but that the loan duration cannot extend beyond five years from when the loan originated (for general purpose loans).

The deadline for filing Form 5500

This relief would be limited to those fiscal-year plans whose Form 5500 deadline falls within the specified date range of February 11 to June 14, 2021. Calendar year plans are not impacted as their Form 5500 due date is July 31, 2021 at the earliest.

Other key deadlines

- The deadline for completing a 60-day rollover.
- The grace period for employers to make deductible retirement plan contributions for 2020.

- The deadline for distributing excess deferrals made to a qualified retirement plan.
- The deadline for distributing excess contributions and excess aggregate contributions from a qualified retirement plan relating to ADP/ACP nondiscrimination testing.
- The EPCRS deadline for self-correcting certain significant failures, but only to the extent the two-year period would end during the specified date range (February 11 through June 14, 2021).
- The deadline for making distributions to satisfy the substantially equal periodic payment (SEPP) exception to the 10% early distribution penalty.
- The deadline to contribute all or part of a qualified reservist distribution from a workplace retirement plan to an IRA within two years after the active duty period ends (but only to the extent the two-year period would end during the specified date range of February 11 through June 14, 2021).
- The deadline for making 2020 IRA contributions.
- The deadline for removing excess IRA contributions.
- The deadline for recharacterizing IRA contributions.
- The deadline for filing and furnishing Form 5498.
- The 60-day deadline to recontribute a refund of qualified education expenses to a 529 Plan.

Deadlines under the jurisdiction of the Department of Labor (DOL), such as the deadlines applicable to the provision of quarterly benefits statements, and the required timing for depositing employee deferrals, are not extended by this guidance.

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