

News

Dold Discusses IRS SECURE Act Guidance with Tax Notes

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Principal [Elizabeth Dold](#) was quoted in a *Tax Notes* article, “IRS Explains SECURE Act Changes to Safe Harbor Plans,” where she shed light on recent IRS SECURE Act guidance regarding automatic employee notice requirements and deferrals, applicable to some safe harbor plans.

Notice 2020-86 provides answers to three questions regarding how employers can implement the cap. According to Dold, the IRS makes it clear that the provision is optional.

The government also clarified that if the plan incorporates the cap by reference, “the plan sponsor generally has until the end of the 2022 plan year to amend the plan to retain the 10 percent cap, if desired, and going forward this change will be treated as a discretionary plan amendment,” said Dold.

Dold said the IRS’s guidance addressing the changes to the notice rules “unfortunately just became even more complex, because the notice requirements vary with the plan type and the type of contributions being made.”

“When in doubt, employers should provide the notice,” Dold said.

The IRS guidance “explains which rules apply — the code or existing regulations — and clarifies that these rules do not trump the long-standing deduction rules,” said Dold.

The guidance also confirms that retroactive plan amendments must be made before the end of the 2022 plan year, Dold said.

[Click here](#) to read the article.