

Publications

Round-up Relief For Plan Sponsors, Administrators and Employees Affected by Hurricane Katrina

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SERVICES

In wake of Hurricane Katrina,

- the Internal Revenue Service (the Service), the Department of Labor (DOL) and the Pension Benefit Guaranty Corporation (PBGC) have issued guidance extending numerous deadlines for specific acts related to pension and employee benefit plans affected by the hurricane, along with certain acts otherwise required to be met by plan participants and beneficiaries adversely affected by Katrina.
- the Service issued guidance intended to encourage taxpayers to donate paid leave to charities assisting victims of Hurricane Katrina through employer-provided leave-based donation programs.
- the Service and the DOL announced liberalized hardship procedures and allowed plans that currently do not permit hardship distributions and loans to make such distributions to participants directly affected by Katrina, and
- Congress passed targeted tax relief measures for those businesses and individuals located in the Hurricane Katrina disaster area, including some pension providers.

The Congressional and Agency focus on providing relief for Katrina-affected businesses and individuals has so dominated the agenda this month that little attention has been devoted to other matters. In the process, action has been delayed on a host of other regulatory and legislative priorities. Most notably, in the benefits area, the release of expected guidance on the new deferred compensation rules (Code sec. 409A) has been delayed for several weeks, and is currently anticipated by the week of October 3.

We collect and highlight all of the recent guidance below, and also note relevant provisions of existing law, including Code provisions allowing tax-free payments to affected individuals.

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