

Publications

# Round-up Relief For Plan Sponsors, Administrators and Employees Affected by Hurricanes Katrina and Rita

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**SERVICES**

In the wake of Hurricanes Katrina and Rita,

- the Internal Revenue Service (the Service), 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 Hurricanes Katrina and Rita, along with certain acts otherwise required to be met by plan participants and beneficiaries adversely affected by both hurricanes.
- 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 Hurricane 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, and
- the President signed into law targeted tax relief measures for those businesses and individuals located in the Hurricane Katrina disaster area, including some pension provisions.

It is important to note that, to date, the majority of guidance issued by the Service, DOL, and PBGC, along with the recently enacted tax relief package, has been limited to individuals and businesses affected by Hurricane Katrina. In response to the devastation cause by Hurricane Rita, however, the Service, DOL, and PBGC have recently issued guidance relating exclusively to Rita victims. It is unclear whether any legislative proposals will be advanced extending the relief granted to Katrina victims to those victims of Hurricane Rita.

This memo updates our September 23 memo that focused exclusively on Agency and Congressional activity relating to Hurricane Katrina by detailing Agency guidance relating to Hurricane Rita and clarifying various pieces of Katrin-related guidance that has been issued to date. This memo will also further distinguish the Katrina-related guidance with various provisions included in the Katrina Emergency Tax Relief Act of 2005 (KETRA), which was signed into law by the President on September 23 (Pub. L. No. 109-73).

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