

INSIDE THIS ISSUE:

- **Getting pension plan documents witnessed or notarized during this pandemic**
- **Updated/ Clarification of Coronavirus Legislation**
- **GASB 75**
- **Plan Restatements for Defined Contribution Plans Coming Soon!**

CLIENT REFERRAL PROGRAM:

If a client you recommend to us becomes our client, you can receive a 10% discount on annual services for every year they remain a client



The PRS Report

Getting pension plan documents witnessed or notarized during this pandemic

The IRS issued Notice 2020-42 to provide temporary relief through December 31, 2020, from the requirement of physical presence normally needed for notaries or witnesses to retirement plan elections and distributions, including spousal consent forms. Physical presence is considered satisfied if live audio-visual technology is utilized in a process that satisfies the state laws which apply to the notary public.

The following conditions must be met in order to satisfy the physical presence requirement:

1. There must be a live audio-video component to the interaction between the parties involved (e.g., the notary and a plan participant's spouse in the instance of a spousal consent form in need of notarization).
2. The individual signing for the notary's confirmation must display a valid photo ID during the audio-video event.
3. Through fax transmittal or electronic means, the signed document must be sent to the notary or plan representative the same day the document was signed.
4. The notary or plan representative must acknowledge that the document was signed in his or her presence and send the signed document and acknowledgement back to the individual.

Updating and Clarification of Coronavirus legislation

The IRS issued Notice 2020-50 to update and further clarify the legislation regarding Covid-19 rules regarding pension plans. Below are some key points:

Definition of Qualified Individual Expanded	In addition to the initial guidance (refer to our prior newsletter), the expanded guidance can include an individual whose pay is reduced because of Covid-19, who has a job offer rescinded or delayed as a result of Covid-19, or has a spouse or household member who has suffered adverse financial circumstances because of Covid-19.
Coronavirus Distributions (CRDs) and Loans	Regardless of whether the employer authorizes these liberalized provisions in their plans, participants can still have their distributions treated as CRDs if they satisfy the requirements.
Certain distributions can be treated as CRDs	Required Minimum Distributions, Death benefits, Loan offsets, and Hardship distributions can be treated as CRDs if the distribution is taken by a qualified individual.
Form 1099-R	CRDs must be reported on Form 1099-R even if the participant repays the distribution to the plan.
Form 8915-E	This Form, not yet released, is to be used to report CRDs and repayments of CRDs. The Form is normally prepared by your accountant.

GASB 75

Just a note to let you know that Pension Review Services has now added a new service to its roster, that of performing OPEB (Other Post Employment Benefits) actuarial valuations under GASB 75 for municipalities, including villages, library districts, fire districts, and school districts.

Plan Restatements for Defined Contribution Plans Coming Soon!

It's almost Restatement Time again for all Defined Contribution plans! Defined Contribution plans include all 401(k), Profit Sharing, and Money Purchase plans. Periodically (normally every six years, this time six years and three months), the IRS requires qualified plans to be restated to incorporate law and regulation changes enacted since the last restatement period. In Announcement 2020-7, the IRS announced the opening of the third restatement cycle for pre-approved Defined Contribution plans.

All defined contribution plans must restate and adopt the restatement provisions between August 1, 2020 and July 31, 2022. The restatement covers the provisions required in the 2017 Cumulative List for laws and regulations added since the last restatement period (known as PPA) which occurred between May 1, 2014 and April 30, 2016. This third restatement cycle has been variously called Post PPA or Cycle 3 restatement.

Our software provider is working on completing their coding before release to TPAs and other providers. We expect that in December, we will be sending out letters requesting your authorization to restate your Plan for Post PPA updates. We will be requesting the return of the authorization form, as well as, a retainer for approximately half of the fee. Since the restatement requires an entire re-write of the plan document, it is an ideal time to make plan design changes if so desired. The authorization form asks whether you are interested in a new plan design. The sooner the authorization is returned, the lower the cost. To better schedule our work and to avoid having authorizations arrive at the end of the two-year restatement period, we will offer a discount for early authorizations.



**Pension Review Services
500 Bi-County Boulevard, Suite 115
Farmingdale, NY 11735**

**Phone: (631) 465-0850 Fax: (631) 465-0855
www.pensionreviewservices.com**

email: info@pensionreviewservices.com