

Bolton

Alert

May 2020

COVID-19 Benefit Plan Deadline Extensions

On April 28, 2020, the Department of Labor (DOL) and the Internal Revenue Service (IRS) issued deadline relief to help employee benefit plans, plan participants and plan service providers impacted by the COVID-19 outbreak. The deadlines are extended by disregarding the period from March 1, 2020, until 60 days after the announced end of the National Emergency (or such other date announced by the Departments). This is referred to as the “Outbreak Period” and cannot exceed one year.

Health Plan Relief

The following participant deadlines have been extended until after the Outbreak Period:

- **HIPAA Special Enrollment**
 - The 30-day period (or 60-day period, if applicable) to request special enrollment
- **COBRA**
 - The 60-day period for qualified beneficiaries to elect COBRA coverage;
 - The 45-day period after the initial COBRA election to make premium payment and the 30-day period grace period for subsequent payments; and
 - The typical 60-day period for individuals to notify the plan of a qualifying event or disability determination.
- **Claims Procedure**
 - The date within which individuals may file a benefit claim under the plan’s claims procedure; and
 - The date within which claimants may file an appeal of an adverse benefit determination under the plan’s claims procedure.
- **External Review Process**
 - The date within which claimants may file a request for an external review after receipt of an adverse benefit determination or final internal adverse benefit determination; and
 - The date within which a claimant may file information to perfect a request for external review.

For example, if the Outbreak Period were to end on June 29, 2020, an employee who gave birth on March 21, 2020 and previously declined participation in the employer-sponsored group health plan, would have until 30 days after June 29, 2020 (i.e., July 29, 2020) to enroll herself and her child into her employer’s plan.

Retirement Plan Relief

The following deadlines have been extended until after the Outbreak Period:

- **Participant Notices, Disclosures, and Documents**
 - This includes Annual Funding Notices for defined benefit plans due within 120 days following the end of the plan year.
 - Plan administrators and fiduciaries must act in good faith by furnishing the notice, disclosure, or document as soon as administratively practicable.
 - Plan administrators should be prudent and document the communication method and date of the delayed deliverable.
- **Participant Loans and Distributions**
 - Verification procedures can be relaxed as long as the plan administrator makes a good-faith, diligent effort to comply with current procedures and corrects any missing documentation as soon as administratively practicable following the Outbreak Period. This relaxation does not apply to spousal consent.

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- **Participant Contributions and Loan Repayments**
 - Employer deposits of participant contributions or withholdings from wages should be deposited within 15 days following the end of the month. However, during the Outbreak Period, the DOL will not enforce action if there is a temporary delay.
 - Employers and service providers must act responsibly, prudently, and in the interest of employees to comply as soon as administratively practicable.
- **Blackout Notices**
 - The regulations created an exception to the 30-day advance notice of a blackout period of an individual account plan when the inability to provide the notice is due to events beyond the reasonable control of the plan administrator.
- **Form 5500 Annual Return/Report**
 - Form 5500 submissions and Form 8955-SSAs due between April 1, 2020 and July 15, 2020 have been extended to July 15, 2020.

Please contact us to better understand how this relief might impact your organization. Please reach out to Geoff Adams at 667-218-6931 to discuss health plans or Jim Ritchie at 443-573-3924 to discuss retirement plans.