

2019 Tax Filing Deadline Changed to July 15, 2020

Impact on IRAs, Retirement Plans, and HSAs

RETIREMENT PLANS

On March 24, the IRS issued guidance on how the 2019 tax filing deadline change from April 15 to July 15, 2020, would impact IRAs, retirement plans, and health savings accounts (HSAs). Below is a brief summary of the significant changes:

2019 IRA Contributions

Contributions to your traditional and Roth IRA generally must be made by the April 15 tax filing deadline. Since the federal tax filing date has been postponed until July 15, your ability to make IRA contributions is also extended to July 15, 2020.

2019 Retirement Plan Contributions

2019 employer match, non-elective, and/or profit sharing contributions to a SEP IRA, SIMPLE IRA, or qualified plan may be deposited up until July 15, 2020. If the sole proprietor or business owner files a tax extension, the contributions may be deposited up until October 15, 2020 (September 15, 2020, for S Corporations and partnerships). Please Note: This generally does not include salary deferral contributions.

2019 SEP IRA Establishment

SEP IRAs for 2019 may be established up until July 15, 2020. If the sole proprietor or business owner files a tax extension, a SEP IRA may be established up until October 15, 2020 (September 15, 2020, for S Corporations and partnerships).

Tax and 10% Penalty on 2019 Distributions

If 2019 IRA or qualified plan distributions are subject to a 10% early withdrawal penalty, the taxes due and 10% penalty can be paid by July 15, 2020. If the account owner files a tax extension to delay filing until October 15, 2020, it is recommended to pay estimated taxes due and the 10% penalty when the extension request is submitted to avoid interest and additional penalties.

2019 Excess Deferrals

2019 excess elective deferrals made to a workplace retirement plan must still be withdrawn by April 15, 2020.

2019 IRA Recharacterizations and Excess Removals

2019 ineligible Roth IRA contributions may be recharacterized to a traditional IRA by tax filing deadline plus extension (October 15, 2020). Please Note: Roth conversions cannot be recharacterized. In addition, 2019 excess IRA contributions may be removed from the IRA while avoiding the 6% penalty by the tax filing deadline plus extension (October 15, 2020).

2019 HSA Contributions

Contributions to your HSA generally must be made by the April 15 tax filing deadline. Since the federal tax filing date has been postponed until July 15, your ability to make HSA contributions is also extended to July 15, 2020. In order to be eligible for a 2019 HSA contribution, the account owner had to be covered by a high-deductible health plan in 2019.

For additional information, please visit: www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers