

PENSION ISSUES

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IRS Releases CARES Act Single-Employer Defined Benefit Plan Guidance

The Internal Revenue Service (IRS) released [Notice 2020-61](#) on August 6 that provides guidance on the special rules relating to funding of single-employer defined benefit pension plans, and related benefit limitations regarding provisions under Section 3608 of [H.R. 748](#), Coronavirus Aid, Relief, and Economic Security Act (CARES).

Section three of the released guidance provides an extensive question and answer (Q and A) section for implementation of the special rules and how the CARES Act provisions will work in practice. It addresses questions related to the extended deadline for contributions and interest adjustments and covers the use of the prior year's adjusted funding target attainment percentage (AFTAP) for benefit restrictions. The notice also provides a disclaimer that this guidance supersedes any existing guidance that is inconsistent to the instructions for Schedule SB, "Single-Employer Defined Benefit Plan Actuarial Information" of IRS Form 5500, "Annual Return/Report of Employee Benefit Plan."

If you have any questions regarding this *Academy Alert*, please contact Philip Maguire, pension policy analyst (maguire@actuary.org; 202-785-7865).

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