

Executive Report

Plan Sponsor Council of America • Advocacy, Education, and Insight for America's Retirement

March 2020

The Coronavirus, Aid, Relief and Economic Security (CARES) Act

PSCA has compiled a [list of resources](#) for plan sponsors regarding the impact of the Coronavirus on retirement plans, including [a list of FAQs](#).

Legislation

Trump Signs Coronavirus Stimulus Legislation with Retirement Relief into Law

President Trump on March 27 signed into law the sweeping \$2 trillion stimulus bill that includes retirement relief provisions supported by the American Retirement Association. It wasn't easy – or at least not as easy as it might have been – but the signing of the Coronavirus, Aid, Relief and Economic Security (CARES) Act (H.R. 748 as amended) comes just hours after the House of Representatives approved the legislation. [Read more>](#)

Garden State Bill Would Require Benefits Coverage for Gig Workers

In what could become the next benefits skirmish between the states and the federal government, legislation pending before the New Jersey state legislature would create a portable benefits system for gig economy workers. [Read more>](#)

Bill Would Expand Investments 403(b) Plans Can Make

A bill has been introduced in the U.S. House of Representatives that would make it possible for 403(b) plans to invest in a broader array of forms of investment than they can currently. [Read more>](#)

Regulations

IRS Clarifies More Time to Contribute to IRAs, HSAs, Qualified Plans in 2020

The recently announced extension of income tax filing deadlines will also give you more time to contribute to an IRA or health savings account, and for employers to make contributions to their retirement plans—but not to take excess deferrals out of the plan. [Read more>](#)

Report: DOL Plans to Weigh in on Lifetime Income Safe Harbor, PEPs

While it's not specifically spelled out in the SECURE Act, a key official with the Labor Department indicated that the agency anticipates issuing guidance to help implement the lifetime income safe harbor provision. [Read more>](#)



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IRS Says High-Deductible Health Plans Can Cover Coronavirus Costs

The IRS announced on March 11 that high-deductible health plans (HDHPs) can pay for 2019 Novel Coronavirus (COVID-19)-related testing and treatment without jeopardizing their qualified status. This also means that an individual with an HDHP that covers these costs may continue to contribute to a health savings account (HSA). [Read more>](#)

IRS Confirms Review of Changes to VCP Enforcement, Audit Process

The details of a shift in process review by the IRS first reported by the American Retirement Association were “the elephant in the room” at a Joint TE/GE Council Employee Plans & Exempt Organizations meeting on Feb. 28. [Read more>](#)

IRS Updates IRA, DC Plan Resources

The IRS has updated comprehensive resources designed to help anyone making IRA contributions or receiving IRA distributions for tax year 2019 or considering making retirement donations before April 15, 2020. [Read more>](#)

IRS Issues 2020 Cumulative List of Changes in Plan Qualification Requirements

The IRS has issued the 2020 cumulative list of changes in plan qualification requirements for pre-approved defined benefit plans. The changes are contained in Notice 2020-14. [Read more>](#)

Litigation

Prudent Process Proves Potent in Fiduciary Breach Suit

Once again, a prudent process has won the day in court for retirement plan fiduciaries. Here, many of the allegations that have been widely made in these excessive fee cases were refuted by testimony and documentation that revealed the kind of thoughtful, ongoing, due diligence process that plan fiduciaries are often counseled to undertake. [Read more>](#)

Wildcats Win Appeal of 403(b) Suit

A federal appellate court has ruled in favor of the fiduciaries of a university 403(b) plan excessive fee lawsuit. This was the second of the 403(b) university excessive fee suits to go to trial—and the second in which the university defendants prevailed, back in May 2018. [Read more>](#)

SCOTUS ‘Actual Knowledge’ Ruling Bears ‘Fruit’

If you’ve been wondering about the potential impact of the U.S. Supreme Court’s recent “actual knowledge” decision, wonder no more. That Intel ruling, handed down in a unanimous ruling in February, held that you don’t need more than a dictionary to know the meaning of “actual knowledge” when it comes to participant awareness regarding 401(k) disclosures. Establishing when that knowledge took place is an essential element in setting the time limit to bring an ERISA claim—six years after the breach occurred, or three years following “actual knowledge” of that breach, whichever was shorter. [Read more>](#)

Federal Judge Rebuffs ERISA Preemption Challenge – Again

California’s auto-IRA program for private sector workers has prevailed against claims that it runs afoul of ERISA’s preemption. [Read more>](#)

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