

Qualified Plan Consulting Alert!

June 23, 2017/17-02

Tax Relief for Arkansas' Victims of Severe Storms, Tornadoes, Straight-line Winds, Flooding

President Trump has declared that a major disaster exists in the State of Arkansas as a result of the severe storms, tornadoes, straight-line winds, and flooding that occurred in certain counties in that State. This declaration permitted the Internal Revenue Service (IRS) to grant a postponement of certain filings (e.g., Form 5500 series) and payment deadlines for affected taxpayers. This relief was announced by the IRS on June 16, 2017 in AR-2017-01 <https://www.irs.gov/uac/newsroom/tax-relief-for-victims-of-severe-storms-tornadoes-straight-line-winds-and-flooding-in-arkansas-april-2017>.

Covered Disaster Area – The covered disaster areas include the counties of Benton, Boone, Carroll, Clay, Faulkner, Fulton, Jackson, Lawrence, Pulaski, Randolph, Saline, Washington, and Yell.

Affected taxpayers - Individuals who may qualify for the postponement of deadlines, as described in the IRS announcement, are those who reside in, have a principal place of business in, or whose records necessary to meet a deadline listed in Treas. Reg. §301.7508A-1(c) are located in a covered disaster area. Others who may be entitled to the postponement include all relief workers affiliated with a recognized government or philanthropic organization assisting in the relief activities in the covered disaster area and any individual visiting the covered disaster area that was killed or injured as a result of the disaster.

Grant of Relief Includes Form 5500 - The IRS gives affected taxpayers until August 31, 2017 to file the Form 5500 series; most tax returns (including individual, corporate, and estate and trust income tax returns; partnership returns, S corporation returns and trust returns; estate, gift, and generation-skipping transfer tax returns; and employment and certain excise tax returns) that have either an original or extended due date occurring on or after April 26, 2017 and before August 31, 2017.

Form 5500 series key points of relief

- Under this relief the filing deadline for Form 5500 series returns is extended to August 31, 2017 for returns required to be filed on or after April 26, 2017 and before August 31, 2017 (as described in section 8 of Rev. Proc. 2007-56), without being subject to penalties.
- Affected filers are advised to follow the instructions accompanying the Form 5500 series (or other guidance published on the postponement) regarding how to file the forms when postponements are granted pursuant to section 7508 or section 7508A.
- Any postponement of the Form 5500 series filing due date that is permitted by the IRS under section 7508A will also be permitted by the Department of Labor and PBGC for similarly situated plan administrators and direct filing entities.
- It is the responsibility of plan sponsors to determine if they qualify for the Form 5500 series filing deadline relief and to contact Voya.

Please refer to the attached IRS announcement AR-2017-01, at the link provided above, for additional details.