



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

TO: Alex Goodenough
Office of Information and Regulatory Affairs

FROM: Ryan Law
Deputy Assistant Secretary
Privacy, Transparency, and Records

SUBJECT: Justification for Emergency Processing: Special Rules for Single Employer Defined Benefit Pension Plans under the CARES Act, OMB Control No. 1545-2095

The Department of the Treasury and its Internal Revenue Service (IRS) are requesting reinstatement of OMB Control No. 1545-2095 under emergency procedures in connection with provisions of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136, 134 Stat. 281 (2020) (CARES Act). On March 13, 2020, the President of the United States issued an emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in response to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic, beginning March 1, 2020 (COVID-19 Emergency). In response to this unprecedented public health emergency, and the economic impact, the Internal Revenue Service (IRS) plans to issue two Notices, "Notice: Special Rules for Single Employer Defined Benefit Pension Plans under the CARES Act" and "Notice: Election of Alternative Minimum Funding."

The notice: Special Rules for Single Employer Defined Benefit Pension Plans under the CARES Act is provided to carry out funding relief for taxpayers that sponsor defined benefit pension plans. The CARES Act, a statute that was enacted, in part, to provide quick financial relief to businesses affected by COVID-19, allows for an extension of the deadlines for contributions to pension plans, and allows for plan sponsors to make an election to use a previous year's funding percentage to determine benefit restrictions for the 2020 plan year. This notice must be released expeditiously in order to provide guidance to plan sponsors as to how to accept the relief from the delayed contributions and the funding percentage election. The earlier this notice is released, the earlier plan sponsors can use this relief, which helps companies that need to preserve their funds due to COVID-related issues. In addition, this only applies for a 2020 plan year, thus the guidance must be released expeditiously to remain timely.

The notice: Election of Alternative Minimum Funding provides guidance as to how community newspaper companies that sponsor defined benefit pension plans can obtain and report critical financial relief granted by the newly enacted section 430(m) of the Internal Revenue Code under the SECURE Act. This notice provides guidance to allow for small privately-owned newspaper companies to elect for an alternative funding method for their pension plans that would provide for greatly reduced pension plan contributions. This would provide tremendous help to an industry that has struggled in the last few years. This notice must be released as soon as possible to give a procedure as to how the company can obtain the relief and reduce its pension contributions. The sooner we release this notice, the sooner these small taxpayers can get the relief that the Code now provides.

In light of the short timelines to implement the new legislation, the IRS plans to issue the Temporary Relief notice on July 24, 2020, and thus requests approval of the control number's reinstatement by July 23, 2020. Given the inability to seek public comment during such a short timeframe, IRS requests a waiver from the requirement to publish notice in the Federal Register seeking public comment during the period of Office of Management and Budget review. However, public comment will be solicited in conjunction with a subsequent extension of the approval to collect this information.