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CBIZ Manufacturing & Distribution

QUARTERLY HOT TOPICS

Manufacturing Relationships. Distributing Quality.

IN THIS ISSUE:

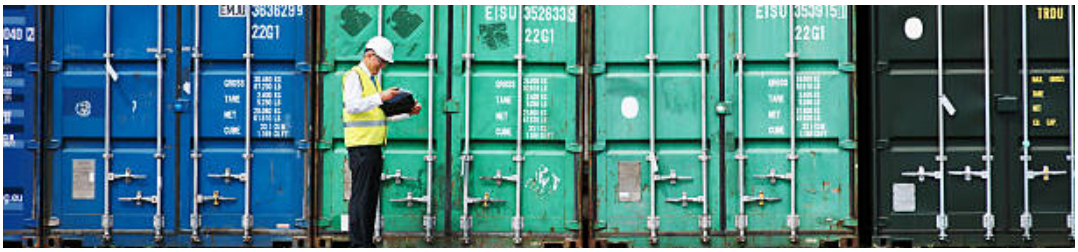
CBIZ

Manufacturing & Distribution

Helping clients in the manufacturing and distribution sectors maximize their potential and navigate industry changes.

We're Here to Support You

We hope this message finds you safe and well. We know manufacturing has been particularly impacted by the novel coronavirus. We have been drawing on our industry connections and unique range of expertise to provide resources to help you manage operations, handle the cash squeeze, support your employees, and understand and take advantage of government recovery programs.This interim newsletter contains a selection of that content from our COVID-19 resources page which is updated regularly with new information and scheduled webinars. We also keep an eye on industry-specific information sources. Webinars are featured on the sidebar. Be well. Stay safe.



5 Ways to Address Supply Chain Disruption

As the world confronts COVID-19, companies need to become conscious of transformations to the global supply chain model. China's dominant role as a supplier has exposed existing vulnerabilities in distribution networks. Continued pressure on supply will continue to influence response efforts from both federal and state governments, such as the relief legislation recently passed by Congress. Several regions in the U.S. have implemented increased employee safety and security measures by putting limits on the number of employees permitted to be on premises and classifying certain industries as "essential." This leaves businesses to find the best maneuvers to sustain operations, serve their communities, and protect their employees.

Travel restrictions continually update, causing organizational planning to not only be reactive, but also become proactively engaged in ensuring business can navigate broader response efforts. Many companies will begin to leverage digital supply networks (DSNs) in order to

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confront a system that was not predicting this kind of disruption. Most operations will need to seek innovative ways to remain competitive while the dust settles. State requirements vary on which industries and services are deemed essential, which generally gives a business more bandwidth to have operations on-site. Even as conditions begin to normalize, businesses should be prepared to adapt to the fractured environment by implementing supply chain management strategies.

Implementation of a strategic risk-based plan will help your organization redefine priority to establish safeguards and consistency during a time of uncertainty. It is important for CFOs, advisors, and financial professionals to understand that even though this situation will not last forever, mediation efforts will perpetuate change even after state and local governments seek to resume business-as-usual. The following five considerations may help your organization manage the factors affecting supply chain distribution models.

Backup Supply to Secure Revenue

Identify additional sources for your top inventory (stock-keeping units or SKUs) that represent 75% of sales, and work to scale inventory for optimal cash utilization. Reactive modeling can change quickly as conditions begin to normalize and distribution networks become more diverse after the initial shock of restrictions begins to fade. It is important to create back-up suppliers that operate in different regions of the world. Keep in mind that it will take time for reallocation efforts to reset back to normal practices once states resume business-as-usual.

Assess Cash Impact

Understand the cash impact of extended shortages, as well as which customers will assess fines and penalties for late or incomplete shipments. Develop the key inventory contributors and work to structure plans to protect service levels. It might be the right time to leverage risk evaluation tools in order to diagram how changes to supply and modifications of distributions networks will translate into operational costs and reconcile existing liquidly. This will involve implementing a proactive strategy with regard to how your distribution networks will be changing throughout the year.

Modify Distribution Networks

Select alternative fulfillment third-party logistics providers and redistribute facility management as quickly as possible to account for strategic redistribution of supply. The Transportation Department's Federal Motor Carrier Safety Administration (FMCSA) has currently lifted hourly driving restrictions for critical medical goods and food for emergency restocking, and has expanded its national

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Additional Industry Insights

Additional Resources

COVID-19 Resource Center containing up-to-date information, links to webinars and other resources

Manufacturing & Distribution Sectors – Industry-specific COVID-19 Information

COVID-19 Disaster Relief Funds FAQ

A Starting Point For Taking Control – maximize liquidity and other steps to consider right away

Liquidity Management to Control COVID-19's Impact - you can make changes that can make a positive difference.

Recorded Webinars

COVID-19's Impact on Retirement Plans recording

4 Key Ways to Protect Your Business from COVID-19's Impacts recording

How to Take Advantage of Coronavirus Relief Provisions Webinar recording

Managing Liquidity in Uncertain Times recording

Live Webinars

Scheduled webinars are listed here with registration links.

Featured Guides

Ensuring Your Business Is Prepared for a Disaster – A Guide for Organizations of All Sizes

Property Tax – Are You Overpaying? (guide) Straight talk about the property tax assessment process and opportunities to potentially lower your property tax bill.

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emergency declaration to include fuel, paper products, and raw materials used to manufacture essential items. As government regulations adapt, so can your current practices to not only be responsive to change, but also proactive in creating a new model for success. To that end, this is the time to evaluate third-party logistics (3PL) options and a transition plan as part of your business continuity process.

Evaluate Fulfillment Models

Implement a revised ordering practice that emphasizes availability. It is important to analyze fulfillment models that have recently migrated to smaller and more frequent shipments to key customers. You can assess broader strategies in terms of returning to normal operations after an adjustment period is clearly established based on changes in regulation. Working with customers to more closely link to their potential forecast change is the initial step.

Develop Contingency Plans & Solvency Strategies

Recommend adjustments to upcoming product introduction such as timing a range of key inventory in order to adjust expectations and lead to a more successful launch. Timing is key especially when the situation continues to evolve. As the national conversation around the COVID-19 pandemic creates uncertainly, a risk-based plan will help you confront the situation creatively and change the conversation in terms of consistency for your organization.

What Comes Next?

While the topography of business operations has morphed, there is room for performance with necessary adaptation. Your business can remain solvent as operations change to meet unique demand, and may even stand to benefit by providing key insights into the fundamental design of your supply chain network. It is important to realize that while these maneuvers will require patience and critical examination of existing strategy, there are numerous ways to become resilient and create a risk-based plan.

Our practitioners are here to help. While the factors and regulatory practices of our current economic conditions are unprecedented, our professionals will be able to leverage their expert knowledge of industries to help you move forward.

We are actively monitoring the current regulations of various states in which we operate to determine how to guide businesses in their efforts to service their employees and communities.

For up-to-date information, please see our COVID-19 resource center.

4 Transfer Pricing Implications from the Coronavirus

The COVID-19 virus pandemic continues to evolve, causing substantial shifts in financial markets and the macro economy, which brings direct implications for multinational enterprises (MNEs). As governments enact new restrictions in an effort to protect public health, MNEs will most likely face disruptions to their supply chains and challenges related to moving personnel across borders.

Companies will continue to monitor and assess the impact of these measures to their bottom line. It may be wise to consider restructuring business models and supply chains to diversify procurement and manufacturing locations, developing new markets to diversify risk, disposing of assets, and integrating new acquisitions. At the same time, MNEs should be mindful that international tax reporting may also need to be adjusted to account for the disruption, particularly policies related to transfer pricing among related entities in different countries. The following provides a snapshot of some of the key transfer pricing considerations and trends related to the coronavirus disease 2019.

Supply Chain Reconfiguring

It may be necessary for a MNE to alter its transfer pricing arrangements and modify its supply chains due to significant disruptions in countries such as China. Some of these changes may lead to transfer pricing discrepancies, so it is wise to revisit your transfer pricing arrangements to ensure they align with your current supply chain. If there are significant differences between your supply chain and your documented arrangements, you may need to change your transfer pricing arrangements to reflect the re-allocation of functions, assets, and risks across the group.

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Increased Oversight

Economic downtimes affect everyone. Companies may lose significant revenue, which often reduces what they would pay in domestic and international taxes. Governments affected by these reduced or lost tax revenues may turn to tax compliance enforcement to help make up the difference.

As countries around the world begin their recovery efforts from the COVID-19 virus outbreak, MNEs' transfer pricing arrangements may become a focus for governments. Transfer pricing audits will likely spike in tax years in which profit margins have been negatively impacted by the disruptions related to the COVID-19 virus.

MNEs should be mindful that enforcement efforts may increase in the coming years and be extra thorough in documenting their transfer pricing arrangements now. They should pay particular attention to the impact of the COVID-19 virus and any other extenuating factors on their arrangements in the event of a potential audit covering the COVID-19 virus tax years.

- MNEs must be able to explain to tax authorities that their TP arrangements were valid during this period and note the unexpected deviations caused by the adverse factors beyond their control
- It may also be necessary to model the impact of the COVID-19 virus on operating results and demonstrate that low profits or losses were not the result of non-arm's length transfer pricing policies.

Local Government Stimulus Measures

Governments may also respond with a range of fiscal stimulus measures such as tax concessions, incentives, and rebates to help with the COVID-19 virus recovery efforts. For example, the Chinese government has already introduced some of these measures. Taxpayers should ensure they understand these stimulus and tax concessions globally and be assessing whether they are eligible. They should be considering the potential impact on their transfer pricing policies and intercompany structures in this context.

Budget Impacts

Taxpayers may face tighter budgets for transfer pricing compliance and support in the future, given other expenses related to the COVID-19 virus risk mitigation. The COVID-19 virus pandemic may leave MNEs with heavy tax burdens if not managed appropriately; therefore, it is advisable to be proactive and seek out streamlined, cost-effective solutions from a transfer pricing professional in order to effectively manage transfer pricing risks and compliance.

For More Information

For further discussion on the above or to learn more about how COVID-19 may impact your business, please reach out to Josh Finfrock, Transfer Pricing Managing Director at jfinfrock@cbiz.com.

The 13-Week Cash-Flow: An Important COVID-19 Survival Tool for Your Business

Business disruption often shows up quickly in your organization's cash flows. The wide-ranging repercussions from the COVID-19 pandemic have taken a dramatic toll, and your organization will likely feel a financial impact to some degree.

The situation with the COVID-19 virus continues to evolve rapidly, particularly its reach in local markets. Without a finite end date to the public health safety measures many states and local municipalities have put in place, now may be the time to rethink your approach to cash flow management and evaluation. If you are starting to feel the pinch from new business slowing down, contracts being delayed or workers being kept from doing their core job functions, a well-crafted 13-week cash-flow model (TWCF) will serve as a reality check for all stakeholders and assist in highlighting a logical path forward.

The cash cycle in many businesses approximates 90 days (i.e., one calendar quarter or 13 weeks), which means an experienced financial consultant will appear to have a crystal ball when mapping out short-term cash-flows, because all the necessary data is available if one simply knows how to compile it. While every situation and industry is unique, the focus here is on a process that can be used in any situation, particularly one where there is no source of financing other than the cash generated by the business and potentially loan programs the government is currently rolling out to combat the very real cash flow crises that are facing many businesses as a direct result of the COVID-19 pandemic.

Why a Thirteen Week Cash Flow (TWCF)?

Traditional accrual-basis financial statements are often unhelpful and can be misleading during a cash crisis. In a distressed organization where resources are likely constrained, time is better spent on developing an accurate cash flow. The concept of a TWCF is very simple — map out all sources and uses of cash during the upcoming quarter. The execution is more complicated, as large customers and suppliers will need to be analyzed individually. A well-formulated TWCF will provide a road map for running the business, while also tracking key balance sheet accounts to keep any lenders informed of their collateral position on a weekly basis.

Getting Started

Begin by reviewing the current sales backlog and understanding the sales cycle (i.e. how long from when the order is placed to when cash payment is received). Lead times for purchasing and production as well as how customers pay their bills may seem like subtleties, but granular understanding of these nuances will prove critical to the accuracy of your model. Are there large customers whose sales can be easily forecasted on a weekly basis? Depending on the length of the sales cycle of the business, as much as 100% of the sales for the upcoming quarter may already be included in the backlog. The longer the sales cycle, the more accurate forecasting of near-term sales in the upcoming 13 weeks can be done.

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It will be important to identify sales to large customers, as you will need to estimate when cash payments will be received. Some accounts may have longer payment terms (i.e., 60 days versus 30 days), and certain customers with the same terms will have different payment histories (early, late, once a week or once a month, etc.), which can have dramatic impact on the timing of cash receipts.

Sources of Cash

Once the current sales backlog has been converted into a sales forecast that groups customers with similar payment patterns, the next step is to forecast the largest source (and potentially only source) of cash — collection of accounts receivable. At this point, it is best to work closely with the collections department to map out when the current receivables for the largest accounts will be collected (based on its knowledge of the customers, not necessarily the payment terms). Typically, the 80/20 rule is applied, and mapping a handful of customers will likely help establish a comfort level with the timing of the majority of expected cash receipts. COVID-19 pandemic considerations will be applicable here, with wide-scale disruption to the entire economy, supply chains across the world encountered complications as countries put travel restrictions and work-from-home recommendations into place. Entertainment and hospitality industries faced sharp and sudden declines in demand. Many retailers temporarily closed physical locations. Because everyone felt an impact on some level, the timing of payments coming into your organization might also be different in the current environment. On the flip-side, however, vendors that may have traditionally been rigid in collection policies may make exceptions.

Before moving to the expense forecast, think about any other sources of cash that may be available to the business. For example, are loans available from government stimulus programs? Can excess or obsolete equipment or inventory be sold? Is there a life insurance policy with cash surrender value?

Uses of Cash

Next step is to forecast cash needs for the next 13 weeks. First, identify the recurring weekly or monthly cash expenses — such as salaried payroll, direct debits from bank for interest or fees — that do not run through accounts payable. Once these non-accounts payable expenses are plotted out on a weekly basis, focus will turn to the detailed accounts payable aging, which in is the historic context of the COVID-19 pandemic may already be stretched well beyond payment terms when first preparing the TWCF.

When reviewing balances due to large suppliers, involve members of the management team with the best relationships with each of the suppliers. Discuss as a

management team which suppliers are most critical, which could be easily replaced (and payment delayed) and which ones may be most receptive to setting up a payment plan on past due invoices. This exercise is extremely important, as maintaining supplier relationships will help the company avoid unnecessary supplier turnover and continue to meet customer demands.

Balance Sheet and Borrowing Base Considerations

Once you have plotted out all sources and uses of cash in the upcoming 13 weeks, you should calculate weekly snapshots of key balance sheet accounts (particularly accounts receivable, inventory and accounts payable). By calculating anticipated accounts receivable on a weekly basis, you will quickly see if the sales and collections forecasts developed are reasonable in comparison to recent borrowing base calculations. In cases with a secured lender watching over its collateral, this information feeds a borrowing base calculation that will keep the lender informed of its collateral position throughout, and give you the credibility to discuss potential upcoming issues with the management team and lender.

What is the TWCF Telling Me?

Review your anticipated cash balance at each day's or week's end to see if it is positive throughout the upcoming 13 weeks. If it is positive, review the assumptions again, particularly the sales and accounts receivable collections forecasts and make sure the forecasts are *realistic*, not optimistic.

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If cash is negative at any point during the forecast, the company and financial consultant will need to review options for potentially: borrowing funds; accelerating receipts of cash (if the company is operating under a borrowing base, a real push should be made to collect ineligible receivables and liquidate ineligible inventory at this time); or eliminating or delaying expenses.

If none of these options are realistic and the negative cash position is sustained and not just an isolated timing issue, focus should turn to the specific government loan programs designed to assist companies with navigating the COVID-19 pandemic. Seasonality in the nature of the business (e.g., a landscaping company) needs to be considered at this time, as cash shortfalls in the near term (next 13 weeks) may be rectified during peak times.

Maintaining the TWCF

The TWCF should be updated on a weekly basis and all assumptions made should be clearly documented and can be refined as necessary. Be careful not to "override" the forecast of the week being updated; instead, document the actual results in a separate column so that comparisons of forecasts can be analyzed on a weekly, and more importantly a cumulative basis. It is important to reset key account balances (cash, line of credit, accounts receivable, outstanding checks) in the forecast to actual each week so that the go-forward forecast is not skewed by timing differences.

As the management team becomes more comfortable with the tool and its inputs, they will gain confidence in their ability to forecast future cash needs. This will allow the company to:

- Navigate short term cash management challenges, such as those caused by the sudden onset of COVID-19;
- More effectively negotiate with its lenders and explain upcoming borrowing needs; and
- Regain confidence with its suppliers

Conclusions

A well-developed TWCF, monitored on a weekly basis will provide all stakeholders visibility to the near term survival of a company that traditional accrual-based financials simply will not. This illustrates why a TWCF has long been the gold standard reporting tool in a distressed situation before the COVID-19 virus and will continue to be after the COVID-19 pandemic. Experienced financial consultants don't have crystal balls and we don't walk on water — instead, we know how to formulate cash-flow models; we know where the rocks are. For more information, please contact us or visit our COVID-19 resource center.

Risk Management: Business Insurance Tips in Response to COVID-19

Both the short term and long term impact of the coronavirus overall, is anyone's guess. Never before have we experienced such a significant interruption of both our businesses and our everyday lives. There are more questions than answers; each of which has potential implications, especially when it comes to insurance coverage.

While policies spell out limits and exclusions, terms and conditions, few anticipated this atypical interruption of everything in our economy. We believe it will come down to what the insurance policy says, and how it is interpreted by each insuring carrier. Insurance coverage for any financial loss associated with the virus is uncertain, and the number of losses to be adjusted will impact the turnaround time. But there are steps you can take now to potentially minimize the impact to your business insurance expenses.

Business Insurance Options

Assessing your current insurance coverage in light of changes to your business resulting from COVID-19 impacts could identify opportunities to restructure or right-size your insurance program. Specific options to consider include:

- **Return premiums**: Work with your broker to revise your originally estimated rating basis (sales / payrolls / vehicles on the road, etc.) to generate return premiums from your insurers – returning essential dollars to their cash flow. This can likely be done without sacrificing or reducing coverage.
- **Lower insurance expenses going forward**: Ask your broker about re-writing or restructuring your insurance coverages going forward to adjust to the

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reality of new and ongoing changes to business operations. Freeing up insurance premiums will allow many businesses to focus their cash flow on the most important needs first.

- **Alternative Risk Financing**: New approaches continue to emerge to provide affordable coverage for those who qualify for captive insurance. Your insurance broker can help you explore an option that can best meet your risk appetite.

Contractual Considerations

As you continue to operate your business during this period of disruption, it's important to ensure you are adhering to contractual obligations. You should start by attempting to negotiate more flexible arrangements. Specific clauses and provisions you may want to have your broker examine include:

- Force Majeure Clause (unforeseeable act of God)
- Uniform Commercial Code (basic assumptions of contract now made impractical)
- Common Law Doctrine (frustration of purpose or impossible to perform a contract obligation)

While your insurance broker can provide guidance to help you effectively exit a contract, you should also seek legal advice. Honoring contractual obligations can help limit the possibility of litigation.

Looking Ahead

Insureds may be struggling to sustain their insurance coverage. Some insurers are responding by suspending cancellations of policies due to nonpayment of premium,

and by not issuing late pay notices or charging late fees. While not mandatory in most states, state insurance commissioners are expecting compliance.

Some of the relief measures reportedly being considered include:

- A shared public/private fund for businesses under 500 employees
- Government backstop for pandemic claims

Online Resources and Personal Assistance Available

COVID-19 Impact Control Checklist – helps you explore ways to meet contractual obligations, comply with regulations and better manage risk.

COVID-19: Executive Insights -- In-depth insights to help your company mitigate the impact COVID-19 is having on your employees, your businesses' finances, and eventually, how your company can recover once the pandemic subsides.

Contact a member of our team if you need assistance with your insurance program or have any questions.

Retirement Plan Update: The CARES Act Provides Relief for Retirement Plan Sponsors and Participants

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act. The Act is the largest economic disaster recovery and economic stimulus package in United States history, providing emergency assistance and health care response for individuals, families and businesses affected by the 2020 coronavirus (COVID-19) pandemic.

Individuals suffering financial hardship can make early withdrawals from retirement plans or IRAs of up to $100,000 without penalty.

- The CARES Act allows for early withdrawals from retirement plans or IRAs of up to $100,000 between Jan. 1, 2020 and Dec. 31, 2020 for individuals suffering a financial hardship related to COVID-19.
- Qualifying individuals may include individuals diagnosed with or have a spouse who is diagnosed with COVID-19. It will also include those who experience adverse financial consequences as a

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result of being quarantined, furloughed, laid off, having a reduction in work hours, inability to work due to lack of childcare, or owning and operating a business that has reduced hours or closure.

- The distributions will not be subject to the 10% early withdrawal penalty.
- Distributions will be includable as income for tax purposes, but the tax liability may be spread ratably over three years.
- Individuals will be permitted to repay the amount over three years without being subject to existing retirement plan contribution limits.

Action: Plan sponsors will need to decide whether they intend to reflect these optional provisions and should work with their plan participants to help them understand the options available. The participant's certification for eligibility may be used to determine whether they are eligible to receive such distribution.

Retirement plan loan limits have been increased.

- Retirement plan loan limits for qualified individuals (as described in the section above) have been increased to the lesser of 100% of a participant's vested account balance or $100,000 (previously 50% and $50,000 respectively) for loans made on or before Sept. 23, 2020.
- Additionally, qualified individuals may delay loan payments due between now and Dec. 31, 2020 by one year, effectively deferring all future loan payments by an additional year.
- Interest will continue to accrue on existing loan balances for the period of deferral, requiring loan payments to be adjusted in the future to accommodate the interest accrual.

Action: Plan sponsors will need to decide whether they intend to reflect these optional provisions and should work with their plan participants to help them understand the options available. For those participants choosing to defer loan payments, plan sponsors will need to ensure that loan repayments are correctly adjusted to reflect additional accrued interest.

Required Minimum Distribution (RMD) rules are temporarily waived.

- A waiver has been provided for required minimum distributions (RMD) that are otherwise required to be paid in 2020 from defined contribution plans or individual retirement accounts (IRA) including

initial RMDs attributable to 2019, if not already distributed in 2019.

- If an RMD has already been received during 2020, the participant may roll the amount over to a qualified plan or IRA to defer the payment of taxes.

Action: Plan sponsors will need to decide whether they intend to allow plan participants to waive their 2020 RMD and ensure that payments resume properly beginning in 2021, absent any extension to this provision.

Retirement plan sponsors can now choose to provide relief provisions, even if they have not historically provided hardship distributions or participant loans.

- Plan sponsors have the option to choose whether or not to apply relief provisions.
- Relief provisions may be utilized immediately, but a plan amendment will be required by the last day of the first plan year beginning on or after Jan. 1, 2022 (Dec. 31, 2022 for calendar year plans).
- Plans that do not currently provide for hardship distributions or participant loans may do so provided the plan is amended by the date above.

Action: Plan sponsors will need to decide whether they intend to reflect these optional provisions, will need to operate their plan according to this decision, and ensure their plan is properly amended prior to the amendment due date.

Defined benefit plan funding deadlines have been extended to Jan. 1, 2021.

- The deadline for any required contribution due in 2020 has been extended to January 1, 2021. This

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includes minimum required contributions as well as quarterly contributions due in 2020.

- For calendar year plans, this extension includes the last 2019 quarterly (which was due Jan. 15, 2020), the final 2019 minimum contribution (otherwise due Sept. 15, 2020) and the first three quarterlies for 2020 (otherwise due April 15, July 15 and October 15).
- This extension applies to required contributions but does not extend the deadline for deduction purposes. Failure to contribute by the tax return deadline will result in increased tax liability for the year the contribution is attributable. The deduction will be carried forward to a future year.
- Contributions are charged interest through the date of deposit, so delaying a contribution will result in additional accrued interest.

Action: Defined benefit plan sponsors who have a contribution required in 2020 will need to determine whether they should delay their contribution deposit, considering both the impact on their tax liability and the additional interest expense.

Employers may use 2019 AFTAP certification to determine benefit restrictions applicable in 2020.

- Defined benefit plan sponsors may elect to treat the plan's Adjusted Funding Target Attainment Percentage (AFTAP) for the last year ended before Jan. 1, 2020 as the AFTAP for plan years which include calendar year 2020.
- Any employers who were in the process of making a contribution to avoid benefit restrictions for a April 1 AFTAP determination may be able to avoid or delay that contribution since its prior year AFTAP will continue to stand (without the 10% April 1 reduction).
- The due date and form of this election is not clear at this time; or whether simply operating based on the 2019 AFTAP would constitute the election.

Action: Defined benefit plan sponsors should work with their actuary to determine the impact that this election will have on their plan's operation as well as determine whether or not to defer payments that would otherwise have been made.

The ACT grants the DOL authority to extend ERISA due dates in the case of a national health emergency.

- Given this authority, the Department of Labor (DOL) may extend the deadline and eliminate (or delay) certain filings and / or participant notices.
- It is not clear whether the DOL will use this newly granted authority to extend the deadline for the Annual Funding Notice (AFN) generally required to be mailed to participants in plans with more than 100 participants within 120 days of the end of the play year (April 29, 2020 for 2019 calendar year plans).

Action: Until the DOL takes action to delay certain deadlines, plan sponsors should continue to provide notices and file returns otherwise due.

The CARES Act provisions are available immediately.

If you would like to utilize any optional provisions of the CARES Act, you may do so immediately. In order to ensure that these provisions are administered properly, it is important to work with your retirement plan consultant to inform them of your decision.

While the provisions of the CARES Act provide substantial relief in many areas, it is anticipated that additional bills containing significant retirement provisions and additional relief as well as guidance to clarify several provisions, such as the taxation of hardship distributions that are paid back to the retirement plan. Beyond this legislative relief provided by Congress, we also anticipate regulatory relief to be provided by the Internal Revenue Service (IRS), DOL, and other agencies over the next few weeks and months.

For More COVID-19 Information

We know you're concerned about the impacts of COVID-19 on your retirement plan and your employees. CBIZ Retirement Plan Services is here to help guide you through these turbulent times. Please contact the CBIZ RPS Technical Resource Center with any questions or concerns you have.

Related Reading

- COVID-19 Impact on Defined Contribution Retirement Plans
- COVID-19 Impact on Defined Benefit Retirement Plans