

Making Sense Of Deposit Deadline Changes

Plan Deposit & Funding Deadlines May Change For 2016 Plans & Sponsors

Keep in mind, the plan sponsor cannot take a deduction for a deposit that has not been made by the due date of the plan sponsor's tax return. All deduction dates must be caveated with the assumption that the Plan Sponsor (who takes the deduction) might not file for extension. Always say that the deposit is due on the earlier of . . .

- The Plan Sponsor's un-extended due date—if no extension has been requested
- The Funding Deadline
- The Plan Sponsor's extended due date—but only if the extension has been requested

Some Qualified Plans Have Funding Deposit Deadlines No Matter What The Filing Deadline Of The Plan Sponsor

- The funding deadline is 8 1/2 months after plan year end (September 15th for calendar plans) for:

- ◇ Defined Benefit Plans
- ◇ Cash Balance Plans
- ◇ Target Benefit Plans
- ◇ Money Purchase Plans

- The funding deadline for the employer contribution portion of discretionary contribution Plans will coincide with the filing deadline for plan sponsor. This would be for the matching, profit sharing, or discretionary contributions, for:
 - ◇ Profit Sharing Plans
 - ◇ 401(k) Plans
 - ◇ 403(b) Plans

Please Note: Effective for 2016 Plans, there may be Tax Filing Changes.

- C Corporations* with June 30 fiscals get "Special Treatment". This keeps the first filing deadline (and presumed deposit for corporate taxes) within the same Federal fiscal year of September 30.

Corporate Structure Fiscal Year end	First Due Date	Example date	Extension Period	Example
C Corporation Calendar Year end and Fiscal Year ends that are not June 30	3 ½ Months	April 15th for calendar fiscal	6 months' extension	October 15 for calendar fiscal
C Corporation* June 30 Fiscal Year end	2 ½ Months (Changes to 3 ½ months for 2026)	September 15th (Changes to October 15th for 2026)	7 months' extension (Changes to 6 months for 2026)	April 15th (April 15th)
S Corporations	2 ½ Months	March 15th for calendar fiscal	6 months' extension	September 15th for calendar fiscal
Partnership	2 ½ Months	March 15th for calendar fiscal	6 months' extension	September 15th for calendar fiscal
Sole Proprietorship	2 ½ Months	April 15th for calendar fiscal	6 months' extension	October 15th for calendar fiscal

A 403(b) and 401(k) Plan may not merge even if the sponsoring employers merge.

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Making Sense Of Deposit Deadline Changes (continued)

Form 5500 Filing Deadlines Remain The Same

First Due Date	Example date	Extension Period	Example
7 Months	July 31 for calendar plans	2 ½ months' extension	October 15 for calendar plans

The 9½ month extended Form 5500 filing deadline now coincides with the extended deposit deadline for Profit Sharing and 401(k) Plans when the Plan Sponsor Fiscal Year and Plan year are the same—as they are with most plans.

Plan Sponsor Type	Extended Tax Filing Deadline	Extend Form 5500 Deadline
C Corporation	9 ½ months (October 15th)	9 ½ months (October 15th)
S Corporation	8 ½ months (September 15th)	9 ½ months (October 15th)
Partnership	8 ½ months (September 15th)	9 ½ months (October 15th)
Sole Proprietorship	9 ½ months (October 15th)	9 ½ months (October 15th)

Having the same deadline for deposit as for filing has always been a problem. This problem will just increase. Due to this, Congress flirted the idea of pushing the Form 5500 filing deadline back to November 15. This was met with an immediate uproar, because as a retirement plan consultant, we know this would just delay all year-end planning from the current 75-day window to 45 days.

Deferral Deposit Deadlines Have Not Changed

The deadline for a W-2 Employee 401(k) and 403(b) deferrals is still the earlier of:

- seven business days from the date withheld from paychecks
- or whenever the funds can reasonably be deposited.

This includes the owners of S and C Corporations. Our recommendation is to send the withheld deferral deposit with the same regularity as paychecks. If paychecks are written on the 15th, the 401(k) deposit should be made on the 15th.

The 401(k) deferrals for a Partner of a Partnership get an extended deposit deadline of September 15.

The 401(k) deferrals for a Sole Proprietor get an extended deposit deadline of October 15.

A 403(b) and 401(k) Plan may not merge even if the sponsoring employers merge.

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