IRA & Pension 2021 Tax Update

2021 HIGHLIGHTS

- Build Back Better Proposes Changes to Retirement Plans
- CAA2021 Makes Small Change to Distributions
- Cares Act Makes Changes in Response to COVID-19
- SECURE Act Retirement and IRA Rule Changes
- Plan Loan Rollover Dates Changed

2021 HIGHLIGHTS

- Hardship Withdrawal Rules Revised
- Inflation Adjustments Minimal for 2021
- Self-directed IRAs get more attention
- Prohibited Transactions Lose Taxpayer IRA Bankruptcy Protection
- Prohibited Transactions Make Rollover Taxable

Proposed

Build Back Better Act

- Build Back Better includes proposed changes to contributions to and distributions from large retirement plans

CONSOLIDATED APPROPRIATIONS ACT, 2021

CAA2021

Generally, no penalty applies for distributions from a retirement plan once the beneficiary has reached age 59 ½, even though the plan participant is not separated from employment at the time of the distribution

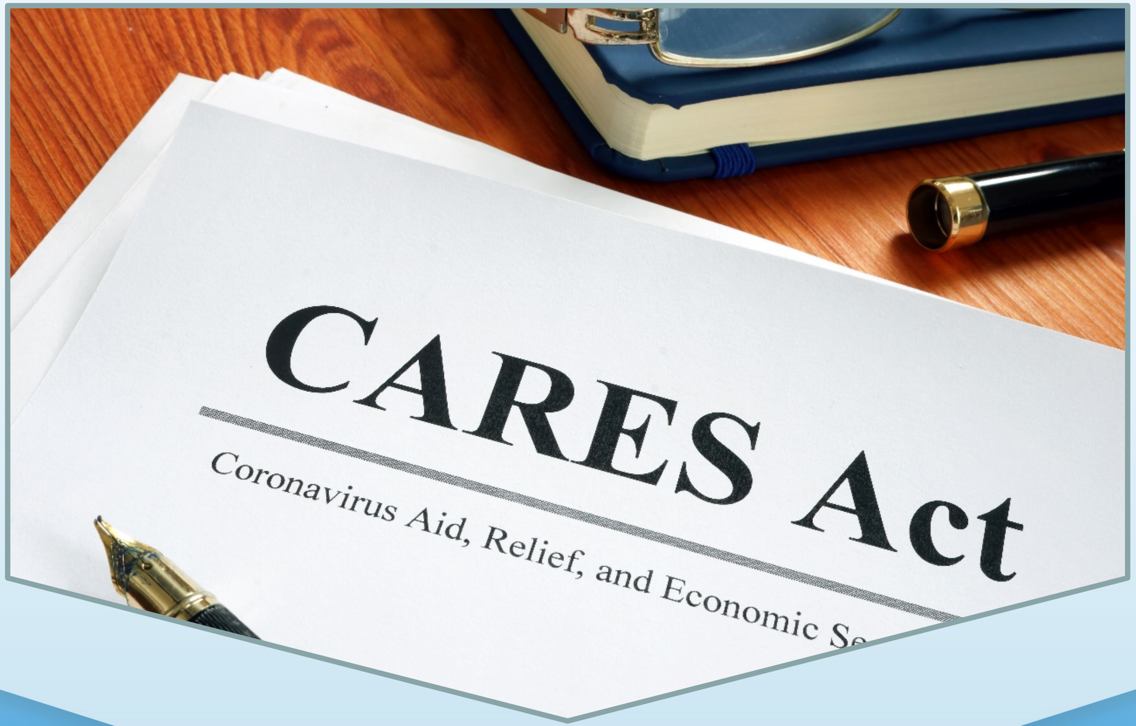
CAA2021 allows certain employees in construction industry to make withdrawals at 55 without a penalty

CAA2021

- The individual was a participant in the plan on or before April 30, 2013
- The plan was in existence prior to Jan. 1, 1970, and
- Before Dec. 31, 2011, the plan provided that distributions may be made to an employee who has attained age 55 and who is not separated from service and the IRS gave a written determination

THE CARES ACT

The Coronavirus Aid, Relief, and Economic Security Act



Waiver of 10% Penalty for Coronavirus-related Distributions

- CARES waived the 10% early withdrawal penalty for COVID-19 distributions up to $100,000 made on or after Jan 1, 2020, and before Dec. 31, 2020

Waiver of 10% Penalty for Coronavirus-related Distributions

- Distribution is taxable, but tax can be paid over three years
- Distribution can be returned to account within three years as a “rollover”
- Use Form 8915-E

Waiver of 10% Penalty for Coronavirus-related Distributions

Example

- David received a Coronavirus-related distribution in 2020 and is including the income over 3 years (2020, 2021 and 2022)
- David repays the full amount in 2022
  - He can file amended returns for 2020 and 2021 to claim a refund of tax on distribution reported as income

Waiver of 10% Penalty for Coronavirus-related Distributions

- Fidelity reported 711,000 individuals took a CARES distribution between April 1 and June 30, 2020, accounting for 3% of the company’s eligible 401(k) and 403(b) plan participants
  - 18,600 participants asked for the full $100,000

Waiver of 10% Penalty for Coronavirus-related Distributions

- TIGTA recommends action to identify noncompliance of Covid retirement distributions
  - Expect to see an IRS compliance initiative project to evaluate the accuracy of taxpayer reporting

THE SECURE ACT

Setting Every Community up for Retirement Enhancement Act

SECURE TWO?

2021 IRA RMD Changes

- Start date of RMDs changed from 70½ to age 72
  - Born before July 1, 1949, RMDs started at 70½
  - Born after June 30, 1949, RMDs started at age 72
- The age change applies to distributions required to be made after Dec. 31, 2019, with respect to individuals who attain age 70½ after such date

IRA RMD Changes

- Anyone who turns 70½ in 2021 will not have to take their RMD until they turn 72
- For those who turned 70½ in 2019, their first RMD was to be taken by Apr. 1 of the year following
  - BUT 2020 RMDs were waived

Bill Example
70th Birthday July 1, 2019

Reaches 70½:	01/01/2020	After 12/31/2019
1st RMD Required	04/01/2022	*RMD at age 72
2nd+ RMD Required	12/31/2022+	

IRS Summarizes Changes IR-2021-57

- RMD start age is 72 for those who turn 70 ½ on July 1, 2019 or later
- New Life Expectancy Table for 2022
  - Three tables needed to determine RMD
    - Uniform Life Table
    - Joint and Survivor Table
    - Single Life Table

IRS Summarizes Changes IR-2021-57

- Individuals who reached age 70½ before 2020 and were still employed, but terminated employment in 2020, would normally have a 2020 RMD due by April 1, 2021, from their workplace retirement plan
  - This RMD was also waived as part of CARES

IRA Contribution Age Limitation

- Beginning in 2021, the age limitation for contributions to an IRA was eliminated
  - Previously, contributions to an IRA were not allowed beginning for the year taxpayer turned 70½

2021 Qualified Charitable Distributions

- The allowable Qualified Charitable Distribution (QCD) must be reduced by the IRA deduction allowed for a taxpayer over 70½

Joe Example

IRA Contribution at 71	$7,000	
IRA Contribution at 72	$7,000	$14,000
QCD when 74		$25,000
First $14,000 not QCD (income/deduction)		$14,000

2021 Non-Spouse Beneficiary – Inherited or “Stretch” IRA

- “Stretch” distribution period for non-spouse inherited IRAs has been reduced from a lifetime distribution to a maximum 10 years, except for:
  - A surviving spouse,
  - A minor child (until age 18),
  - A disabled individual,
  - A chronically ill individual OR

2021 Non-Spouse Beneficiary – Inherited or "Stretch" IRA

- An individual not more than 10 years younger than deceased participant or IRA owner

- Effective for deaths occurring after Dec. 31, 2019

Planning: Re-examine "look-through trusts" to see when distributions are required

2021 Non-Spouse Beneficiary – Inherited or "Stretch" IRA

- The spousal beneficiary may still rollover the spouse's IRA or pension account into his or her own IRA
- The minor child must still take RMDs based on his or her life expectancy until the child reaches majority (and then the 10-year rule applies)

Joe’s Father Example

Joe is beneficiary of Father’s IRA	$500,000
Joe can withdraw funds anytime within next ten years (for example)	
Year 1	$50,000
Year 5	$50,000
Year 10	$400,000

2021 Birth and Adoption Distributions

- Up to $5,000 distribution for birth or adoption of a child is penalty-free withdrawal from an IRA and/or a qualified pension plan
  - Still taxable
- Effective for distributions made after Dec. 31, 2019

2021 Birth and Adoption Distributions

- Withdrawal must be made within one year of birth or adoption
- Planning. Each spouse may take $5,000 if each has a retirement account
- Recontribution permitted

SECURE
401(K) PROVISIONS

Part-time Employees

- 401(k) plans are required to offer participation to long-term, part-time employees who work between 500 and 1,000 hours a year for three consecutive years (beginning in 2021)
  - Thus, the earliest that a part-time employee will be able to participate in the 401(k) plan is 2024

2021 Automatic Enrollment Credit

- To encourage participation, a tax credit of $500 for a three-year credit period is allowed for small employers adding an auto-enrollment provision to their plans
- For taxable years beginning after Dec. 31, 2019

Automatic Enrollment Percentage

- Beginning in 2021, the SECURE Act allows the plan to set the automatic enrollment percentage to as high as 15% (was 10%)

2021 Annuity Offerings

- SECURE updates the safe harbor provision for plan sponsors to offer annuities in their 401(k) plans to ease liability concerns
- New ERISA §404(e) provides a Fiduciary Safe Harbor for fiduciaries selecting a "lifetime income provider"

Annuity Offerings

- When selecting an annuity provider, the fiduciary must engage in "an objective, thorough and analytical search" of providers and obtain several written representations from the annuity provider selected

Lifetime Income Illustrations

- A DOL Interim Final Rule effective Sep. 18, 2021 requires that at least once per year, the benefit statements for ERISA-covered defined contribution plans (including 401(k) plans) show participants' and beneficiaries' ac balances in the form of 2 lifetime income illustrations
  - (1) monthly payments if a single life annuity, and
  - (2) monthly payments if a qualified joint and survivor annuity

Old v New RMD Table

- 72-year-old IRA owner
- $1M IRA balance
- RMD old table - $39,063
- RMD new table - $36,496

SECURE
SMALL EMPLOYER RETIREMENT PLANS

Retirement Plans for Small Employers

- Several changes are made in SECURE to encourage more small employers to offer retirement benefits to their employees
- Generally, a **small** employer is one that has no more than 100 employees who received at least $5,000 of compensation in the preceding year (see §408(p)(2)(C)(i))

2021 Pension Plan Start-Up Cost Credit

- The credit for a small employer starting a pension plan, such as a 401(k), 403(b), SEP IRA or SIMPLE IRA, has been increased for taxable years beginning after Dec. 31, 2019

Pension Plan Start-Up Cost Credit

- For the 1st credit years and the following two tax years, the credit is the greater of:
- $500 or
- The lesser of
  - $250 for each non-highly compensated employee or
  - $5,000

Pension Plan Start-Up Cost Credit

Vern example:

- Vern starts a 401(k) plan for him and his 20 employees
- Vern is entitled to a start-up credit of $5,000 (21 times $250 limited to $5,000) for 2021, 2022 and 2023

2021 Multiple Employer Plans (MEPs)

- "Bad Apple" rule fixed 
- Now if a single employer defaults, the remaining plan maintains its qualified status
- Must be administered by a "pooled plan provider"
- Applies to plan years beginning after Dec. 31, 2020

Miscellaneous Changes

- Beginning in 2021, employers may adopt retirement plans that are entirely employer funded up to the due date of the tax return, including extensions
  - Old law required the employer to establish their plan by December 31 (or the last day of their fiscal year)

SECURE

Disaster Relief Provision –

Qualified Disaster Distributions From Retirement Funds

- Individuals who had a principal residence in a federally declared disaster area and suffered an economic loss as a result of the disaster
- May take a qualified distribution from their retirement account

Qualified Disaster Distributions From Retirement Funds

- Distributions up to $100,000 may be made, and
  - Are exempt from the 10% early withdrawal penalty
  - Are exempt from mandatory withholding requirements
  - Are treated as evenly distributed over 3 years
  - May be repaid within 3 years of distribution

Pension Plan Loans From Retirement Funds

- The limit on loans from retirement plans for a qualified disaster increased to $100,000 (was $50,000)
- Disaster loan repayments are delayed for up to one year
- Similar provisions are in CARES

Tax Cuts and Jobs Act

Recharacterization of IRA Contributions

- *TCJA*. Recharacterization of traditional IRA contributions to Roth IRA repealed beginning for tax year 2018

With Recharacterization Gone, Is It Still Advisable to Convert?

1. Withdrawals are tax-free, as long as certain requirements are met
2. Minimum distributions at 72 are not required, so money grows tax-free longer
3. Beneficiaries inherit the Roth IRA account tax-free, as long as the account has been open for at least five years

With Recharacterization Gone, Is It Still Advisable to Convert?

4. Other reminders on conversion
   – Any dollar amount can be converted
   – Prior nondeductible amounts can be rolled over
   – Separate 5-year holding period applies

Other TCJA Changes

- Rollover period for loan offset amounts changed from 60 days to extended due date of return
- Investment adviser fees not deductible
- Loss on Roth IRA ac is not deductible

TCJA and SECURE Changes

- Retirement planning
  - Doubling of standard deduction and limit on SALT may make it more attractive to move to a low tax state
  - Lower rates may make it more attractive to convert a traditional IRA to a Roth
  - Covid-19 may mean some business clients have losses in 2021
    - especially if the business received a 2nd draw PPP loan

TCJA Changes

- Retirement planning
  - Is it time to retire to another state?
  - According to *Kiplinger's,* the top five tax-friendly states for retirees are Wyoming, Nevada, Delaware, Alabama, and South Carolina

2021 Cost of Living Adjustments

IRA Contribution Amounts

Traditional IRA Contribution Limits		
Year	2014–2018	**2019-2021**
Max IRA Contribution	$5,500	**$6,000**
IRA Catch-up Contribution	$1,000	**$1,000**

Active Participant(s) Limit

AGI Phaseout		
Year	2020	**2021**
Single	$65,000–$75,000	**$66,000–$76,000**
MFJ	$104,000–$124,000	**$105,000–$125,000**
MFS	$0–$10,000	**$0–$10,000**

Special Rules for Marrieds

- Non-working spouse may contribute based on working spouse’s earnings
- If one spouse is an active participant and one is not
  - Both may contribute
  - Much higher AGI limits to determine if deduction allowed

One Spouse is Active Participant

Year	2020	2021
AGI Phaseout	$196,000–$206,000	$198,000-$208,000

Roth IRAs

Annual Roth IRA Contributions

Roth IRA Contribution Limits		
Year	2013–2018	**2019-2021**
Max Roth IRA Contribution	$5,500	**$6,000**
Roth Catch-Up Contribution	$1,000	**$1,000**

Roth IRA AGI Thresholds

AGI Phaseout		
Year	2020	**2021**
Single	$124,000–$139,000	**$125,000–$140,000**
MFJ	$196,000–$206,000	**$198,000–$208,000**
MFS	$0–10,000	**$0–10,000**

Back Door Roth

- The TCJA Committee Reports acknowledge that one can contribute to a nondeductible IRA, and then convert that account to a Roth IRA
  - Avoids the AGI limits
  - Careful if own other IRA accounts as they can make the transfer partially taxable
  - Proposals would eliminate this “back door” IRA

2021 Pension Limits

Plan Type	2020	2021
Max defined cont. plan	$57,000	**$58,000**
SEP-IRA	$57,000	**$58,000**
Max annual benefit for a defined benefit plan	$230,000	**$230,000**
SIMPLES	$13,500	**$13,500**
Annual comp limits	$285,000	**$290,000**

Elective Deferral Limits

Plan Type	2020	2021
401(k); 403(b); 457; SARSEP	$19,000	**$19,500**
SIMPLE	$13,500	**$13,500**

Age 50 Catch-Up Contributions

Plan Type	2015–2019	2020-2021
401(k), 403(b), 457, SARSEP	$6,000	**$6,500**
SIMPLE	$3,000	**$3,000**

IRA PROVISIONS

IRA Rules

- IRA rules:
  - Contribution due date
  - Nondeductible IRAs always available
  - Tax on excess contributions
  - Contributions returned before due date of return

Self-Directed IRAs

- Popularity growing
- Typically include alternative assets
  - Real estate
  - Privately-held stock
  - LP or LLC interests
- Most mainstream custodians won't allow such investments

Self-Directed IRAs

- All IRA rules apply
  - Prohibited transactions
  - Annual asset valuations
  - Unrelated business income tax
  - No loans to IRA
  - RMDs

Self-Directed IRAs

- Form 5498 instructions amended
- New reporting for “specified assets”
  - Private business interests (Corp or LLC)
  - Non-publicly traded debt or options
  - Real estate
  - Other assets without readily available FMV
  - Provides IRS with target info 

Self-Directed IRAs
Cases

- *Raymond McGaugh* did it right
  - Custodian wouldn’t buy particular stock
  - Funds sent directly to company for stock purchase
  - Stock was purchased in name of IRA
  - At no time did McGaugh control funds

➡ 7th Circuit says yes

IRA and Creditor Claims

- IRAs are protected in bankruptcy from creditor claims
  - For 2021 (inflation adjustment every three years) the amount of the exemption is $1,362,800.
  - IRA exemption doesn't apply to SEPs and SIMPLEs as employer plans are fully protected

IRA and Creditor Claims

- IRA and 401(k) funds received in divorce not protected in bankruptcy (Brian Lerbakken v. Sieloff and Associates, PA, No. 18-3415 (8th Cir. 2021))

IRA and Creditor Claims

- IRA not protected in bankruptcy because of prohibited transaction (*Keith A. Yerian*)
  - Condo purchased with IRA funds and used personally
- *Barry Kellerman* owned an LLC that partnered with Kellerman's self-directed IRA
  - Prohibited transaction meant that IRA lost its exempt status for bankruptcy

IRA and Creditor Claims

- Inherited IRA not "retirement funds" for purposes of bankruptcy exemption (*Brandon Clark*)
  - Should surviving spouse quickly roll IRA to own name?
- Inherited 401(k) protected from creditors because of ERISA (*Corbell-Dockins*)

IRA and Creditor Claims

- One-half of husband's IRA is subject to garnishment for wife's crimes (*US v Gwendolyn Berry)*
  - Solely managed IRA is community property

401(k) Planning Strategies

- Always contribute to get max from employer
- Contribute to max out employee amount $19,500 + $6,500 (2021)
- Make after-tax contribution if allowed for later Roth transfer

Traditional IRA v Roth IRA

- See chart of tax features comparing a traditional IRA and a Roth IRA

Features	Traditional IRA	Roth IRA
Who can contribute?	Contributions can be made at any age if the account holder has taxable compensation.	Contributions can be made at any age if the account holder has taxable compensation. AGI must be under threshold.
Are contributions deductible?	Yes, unless covered by a retirement plan at work and income exceeds threshold.	No.
How much can be contributed?	Maximum contribution for all traditional IRAs and Roth accounts is $6,000 (2021) or taxable income if less.	
What's the deadline to make contributions?	Due date of the return (not including extensions) — Apr. 15, 2022, for 2021 IRA.	
Are minimum distributions required?	Distributions must begin by April 1 following the year in which the account owner turns age 72 and by December 31 of later years.	Not required.
Are distributions taxable?	Any deductible contributions and earnings that are distributed from the traditional IRA are taxable. The 10% early withdrawal penalty may apply if the account owner is under 59½.	None if it's a qualified distribution. Otherwise, part of the distribution or withdrawal may be taxable.

Designated Roth Accounts

- IRS FAQs on Designated Roths

One-Person (Solo) 401(k)

One-Person 401(k) Plan

- Matching contributions and discretionary employer contributions
  - Cannot exceed the lesser of 100% of compensation or $5,000
- Percentage limit on employer deduction - 25% (20% for SE)
- Employee elective deferral (2021)
  - $19,500 ($26,000 if age 50 catch-up)

Solo 401(k) – Self-Employed

2021	Exp. #1	Exp. #2	Exp. #3	Exp. #4
SE earnings	$50,000	$100,000	$192,500	$290,000
Profit sharing plan	$10,000	$20,000	$38,500	$58,000
Solo 401(k)	$29,500	$39,500	$58,000	$58,000
Difference	$19,500	$19,500	$19,500	$0

Solo 401(k) – S Corp Employee

2021	Exp. #1	Exp. #2	Exp. #3	Exp. #4
SE earnings	$50,000	$100,000	$154,000	$232,000
Profit sharing plan (e.g., SEP)	$12,500	$25,000	$38,500	$58,000
Solo 401(k)	$32,000	$44,500	$58,000	$58,000
Difference	$19,500	$19,500	$19,500	$0

One-Person 401(k) Plan

- No employees = no discrimination testing
- Annual Form 5500 must be submitted
  - But not if plan assets less than $250,000
- Only one deferral allowed, even if taxpayer enrolled in multiple plans

Multiple Employer Pension Plans

38M US employees do not have a pension plan

- Multiple employer plans expanded by DOL
  - Plan maintained by two or more unrelated employers
  - SECURE eased “bad apple” rule. Now if one participant fails, others maintain status

Other Retirement Plan Developments

- Uncashed check does not change year of taxability (Rev Rul 2019-19)
- Estate as beneficiary of IRA, allowed to divide the IRA (PLR 201927009)
- IRS penalty relief for small plans made permanent

Other Retirement Plan Developments

- IRS reverses itself and says retirees in pay status can cash out (Notice 2019-18)
- Director fees were really wages so no pension deduction on F 1040 (*David Burbach*)
  - Director fees were $275,000 and wages $21,500
  - Court thought director fees were scheme to avoid discrimination rules re employees

Other Retirement Plan Developments

- DOL proposes changes to F 5500
  - Planned for 2022 filings due in 2023
- Hot topics for IRS audits of retirement plans
  - DOL looks for missing participants
- IRM revised for F 5500 examination

Rollover Rule

More Rollover Rules

- One-rollover-per-year limit on IRA
  - Careful this is full 12 months
- Self-certification allowed for certain failed 60-day rollovers Rev. Proc. 2020-46
  - 12 self-certification excuses
  - IRS may grant waiver in exam

10% Early Withdrawal Penalty

§72(t) Exceptions

1. On or after the account owner reaches age 59½
2. On or after the death of the account owner
3. After the permanent disability of the account owner
4. At age 55 if from an employer plan and separated from service (does not apply to IRAs)

§72(t) Exceptions

5. Equal periodic payments made for life
6. Certain distributions under a QDRO
7. For IRS levies
8. Medical expenses above 10% of AGI

§72(t) Exceptions

9. Qualified disaster-relief distributions up to $100,000
10. Over-50 public safety employees separating from duty
11. Reservists on active duty > 179 days

§72(t) Exceptions

- For IRAs only:

1. For health insurance premiums if unemployed more than 12 weeks
2. Qualified higher education
3. Qualified first time homebuyer (a $10,000 lifetime limit)

§72(t) Exceptions

- Exception #1: IRA distribution subject to 10% penalty if under 59 ½ (*Wilfred Omoloh*)
- Exception #3: Compulsive gambling not a disability for early withdrawal penalty exception (*Kathryn Gillette*)
- Exception #3: *Christopher Totten* didn't rollover distribution and wasn't 59 ½

§72(t) Exceptions

- Exception #6: No exception to 10% penalty even if IRA withdrawal taken to satisfy divorce court order (IRA FAQs)
- Exception #6: IRA distribution didn't follow QDRO (*Jeremy Summers*)

§72(t) Exceptions

- Exception #7: No hardship exemption for attorney's distribution even if she was laid off (Molly and Jonathon Woll)
- Exception #7: Hardship is not an exception to penalty (Candace Elaine, Richard and Beverly Fann, David Pritchard)

§72(t) Exceptions

- IRA Exception #3: Distribution from §401(k) not eligible for first time homebuyer exception *(Lily Hilda Soltani-Amadi)*

Distribution Rules

Hardship Distributions

- Bipartisan Budget Act changed rules for hardship distributions to repeal two restrictions

1. 6 months restriction on contributions to the plan removed
2. No longer need to take available loan before hardship distribution

Hardship Distributions Must be for:

- Medical expense
- Purchasing a home
- College tuition
- Preventing eviction or foreclosure
- Funeral expenses of spouse, etc.
- Repair of §165 casualty loss on home if loss deducted
  - new limitations on personal casualty losses do not apply, so hardship distribution allowed even if loss not deductible

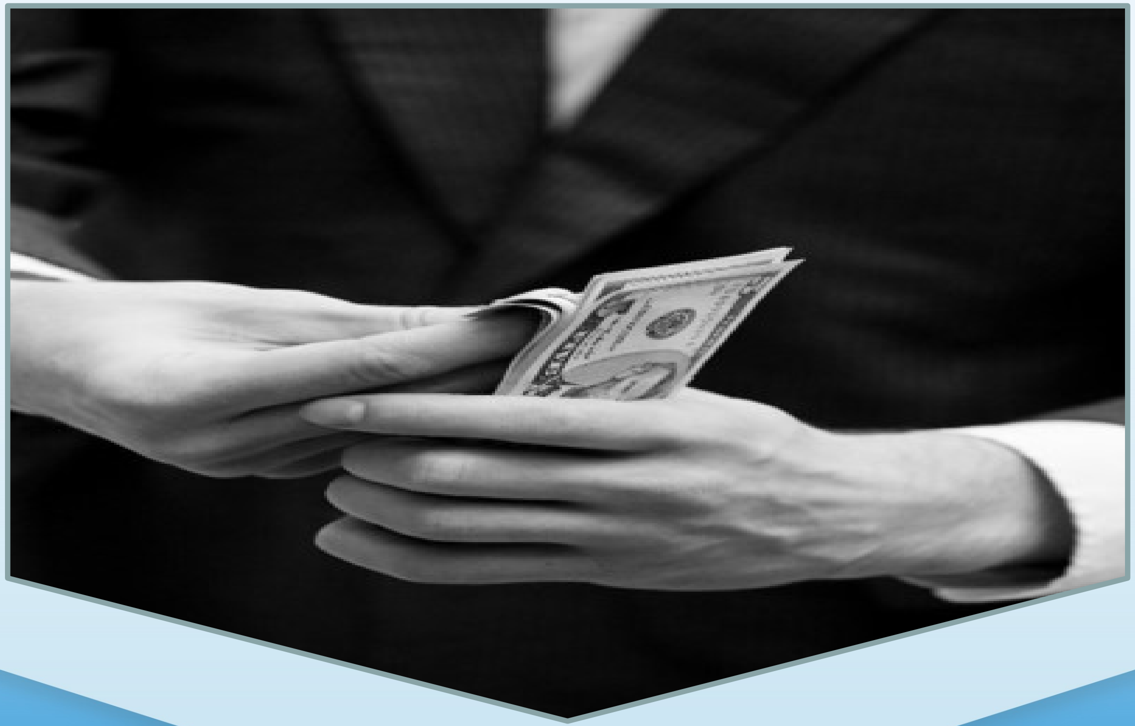
Hardship Distributions

- Distribution is taxable + 10% penalty
  - No penalty if used for medical expenses

Hardship Distributions?

- Get ready for IRS audit: Employer must receive required substantiation information and notification for source documents from employee (TE/GE04-0217-0008)

Loans to Participants



Loans to Plan Participants

- Loans subject to amount and time limits
  - $50,000 or greater of ½ nonforfeitable accrued benefit
  - Repay within 5 years
  - CARES increased amount to $100k for COVID-19 related distributions in 2020
- Loans in default are "deemed distributions"

Loans to Plan Participants

- Loans due if employee leaves job
  - **86%** of loans default when employee leaves job
- Refinancing of plan loans is trouble
- No loans allowed from IRA-based plans like SEP or SIMPLE
- *TCJA*. Rollover period for loan offset amounts changed from 60 days to extended due date of return

Loans to Plan Participants

- Determine pension plan loan amount available (TE/GE-04-0717-0020)
- Plan loans require documentation
- Missed payment on 401(k) loan deemed distribution *(Gerard McEnroe, Louella Frias*)
- Default on loan deemed distribution (*CPA Gregory Gowen*)

Prohibited Transactions

Prohibited Transaction Penalties

- Qualified plans- two-tiered penalty
  - 15% of transaction amount
  - 100% if not corrected
- IRAs- account loses IRA status
  - As of 1st day of taxable year
  - Entire account balance taxable
  - 10% penalty applies if applicable

Prohibited Transactions

- Between “disqualified” person and qualified plan
- Includes, among others
  - Sale or lease of property
  - Loans (TAM 201425019)
  - Furnishing goods or services
  - Transfer or use of income or assets

Disqualified Persons

- Includes:
  - Fiduciary
  - Employer or owner of organization sponsoring plan
  - Family members
  - Related entities (50% test)
  - Officers, shareholders, partners, etc.

What's In Your Manual?

- Retirement plan resources
- Correcting plan errors
- SIMPLE IRA vs. SEP
- Key retirement plan rules for 2021

Plan Type	Last Date for Contribution	Maximum Contribution	Maximum Deduction	When to Set Up Plan
SEP	Due date of employer's return (including extensions).	Smaller of $58,000 or 25%[1] of participant's compensation, limited to $290,000 for 2021.	25%[1] of all participants' compensation ($290,000 for 2021).	Any time up to the due date of employer's return (including extensions).
SIMPLE IRA and SIMPLE 401(k)	**Salary reduction contributions:** 30 days after the end of the month for which the contributions are to be made.[3] **Matching or nonelective contributions:** Due date of employer's return (including extensions).	**Employee contribution:** Salary reduction contribution up to $13,500; $16,500 if age 50 or over. **Employer contribution:** *Either* dollar-for-dollar matching contributions, up to 3% of employee's compensation,[2] *or* fixed nonelective contributions of 2% of compensation ($290,000 for 2021).	Same as maximum contribution.	Any time between January 1 and October 1 of the calendar year. For a new employer coming into existence after October 1, as soon as administratively feasible.
Qualified Plan: Defined Contribution Plan	**Elective deferral:** Due date of employer's return (including extensions)[3]. **Employer contribution:** Money Purchase or Profit-Sharing: Due date of employer's return (including extensions)[3].	**Employee contribution:** Elective deferral up to $19,500; $26,000 if age 50 or over. **Employer Contribution:** Money Purchase: Smaller of $58,000 or 100%[1] of participant's compensation ($290,000 for 2021). Profit-Sharing: Smaller of $58,000 or 100%[1] of participant's compensation ($290,000 for 2021).	25%[1] of all participants' compensation ($290,000 for 2021), plus amount of elective deferrals made.	By the end of the tax year unless only employer contributions, then any time up to the due date of employer's return (including extensions).
Qualified Plan: Defined Benefit Plan	Contributions must be paid in quarterly installments depending on the plan year, due 15 days after the end of each quarter.	Amount needed to provide an annual benefit no larger than the smaller of $230,000 or 100% of the participant's average compensation for his or her highest three14 consecutive calendar years.	Based on actuarial assumptions and computations.	Any time up to the due date of employer's return (including extensions).

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THANK YOU