

HELP FOR HURRICANE HARVEY...AND IRMA TOO

Sep 14, 2017

Employers seeking ways to help employees and their family members affected by Hurricanes Harvey or Irma should consider the various relief made available by the Internal Revenue Service under Announcements [2017-11](#) and [2017-13](#) and [Notice 2017-48](#).

Under [Notice 2017-48](#), employers who maintain a leave-based donation program (there is still time to adopt one) can afford employees the opportunity to forgo their vacation, sick or personal leave in exchange for cash contributions made by the employer, before Jan. 1, 2019, to charitable organizations assisting those impacted by Hurricane Harvey. The donated leave will be excluded from the donor employees' income and wages and the employer will be able to deduct such contributions to a qualifying charitable organization as a business expense. As always, the [Notice](#) includes specific guidelines that must be followed in order for employers and employees to take advantage of this relief. Note that currently this relief is approved only for Hurricane Harvey assistance.

Announcements [2017-11](#) and [2017-13](#) permit employers who sponsor a "qualified employer plan" to offer hardship distributions and/or plan loans to participants for reasons (including to obtain food and shelter) relating to Hurricanes Harvey and Irma even if the plan doesn't currently permit hardship distributions or loans. For purposes of this relief, participants may obtain a hardship distribution and/or plan loan not just for their own needs but also to help certain affected family members. In addition, certain other restrictions (e.g., automatic six-month suspension of elective deferrals following a hardship distribution) that generally apply are suspended.

Your qualified employer plan does not need to be formally amended before the hardship withdrawal and plan loan relief is offered; however, the plan must be amended no later than the end of the first plan year beginning after December 31, 2017, and the relief can only be offered to the extent provided and within the time period authorized by Announcements.

The IRS is also offering other forms of relief to affected taxpayers (employers and individuals), including penalty relief for certain late tax filings, extended deadlines for certain tax filings and payments. A special [IRS website](#) contains links to all of its Hurricane Harvey relief and other helpful information about reconstructing records, checking the tax-exempt status of charitable

organizations and more. Similar information is provided on a separate [webpage](#) for those affected by Hurricane Irma.

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be "Attorney Advertising" under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP's principal office and Kathrine Dixon (kathrine.dixon@bclplaw.com) as the responsible attorney.