



October 11, 2018

David Horton
Acting Commissioner
Tax Exempt and Government Division
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

Carol Weiser
Acting Benefits Tax Counsel
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Re: Disaster Relief for Hurricanes Florence and Michael

Dear Mr. Horton and Ms. Weiser:

I am writing you to urge the Internal Revenue Service (“IRS”) to promptly issue guidance making it easier for taxpayers experiencing a financial need as a result of Hurricane Florence or Hurricane Michael to access funds held in their retirement accounts.

The SPARK Institute represents the interests of a broad-based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, insurance companies, third-party administrators, trade clearing firms, and benefits consultants. Collectively, our members serve approximately 95 million employer-sponsored plan participants.

In the wake of recent hurricanes and other natural disasters, the IRS has announced various forms of relief for taxpayers adversely affected by such disasters. The IRS, for example, has postponed the deadlines for filing returns, paying taxes, and performing other time-sensitive acts, like filing Form 5500, by issuing news releases. The SPARK Institute commends the IRS for already publishing news releases announcing extended deadlines for certain taxpayers affected by Hurricane Florence.¹ In the coming days, we anticipate that the IRS will provide similar relief to taxpayers affected by Hurricane Michael.

The IRS can and should do more, however, to provide relief for taxpayers that have been devastated by Hurricanes Florence and Michael. Following Hurricanes Harvey, Irma, and Maria, and the wildfires in California last year, the IRS published Announcements relaxing certain

¹ The SPARK Institute encourages IRS to further coordinate retirement-related disaster relief with the Department of Labor (“DOL”). Although DOL recently announced that the Employee Benefits Security Administration (“EBSA”) would coordinate with IRS on the release of compliance guidance for employee benefit plans in the wake of Hurricane Florence, DOL has not yet issued a news release announcing disaster relief for victims of Hurricane Florence. Such relief would be helpful, for example, for employers who were temporarily delayed in forwarding payroll contributions to the plan’s trust. (See News Release 17-1216-NAT (Aug. 30, 2017) for a prior example.) This delay in published guidance has caused some uncertainty for our members’ clients seeking to utilize the extended deadlines already announced by IRS.

administrative and procedural requirements that could otherwise impede affected taxpayers from quickly receiving hardship and loan distributions from their employer-sponsored retirement plans. *See e.g.*, Announcements 2017-11, 2017-13, and 2017-15. **The SPARK Institute urges the IRS to promptly announce hardship distribution and loan relief for taxpayers affected by Hurricanes Florence and Michael that is similar to the Announcements issued in response to Hurricanes Harvey, Irma, and Maria, and the wildfires in California last year.** We must also emphasize that this type of relief is most impactful when it is announced shortly after the relevant disaster.

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If you have any questions or would like more information regarding this letter, please contact me or the SPARK Institute's outside counsel, Michael Hadley, Davis & Harman LLP (mlhadley@davis-harman.com or 202-347-2230).

Sincerely,



Tim Rouse
Executive Director

cc: Preston Rutledge, Assistant Secretary, Employee Benefits Security Administration