Additional IRS Guidance on the CARES Act

On June 19, 2020, the IRS issued Notice 2020-50, which provided additional guidance on the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Key provisions of the new guidance include:

- Coronavirus-related distributions (CRDs).
- Accepting recontributions of CRDs.
- Tax treatment of CRDs.
- Application to loans.
- Cancellation of deferral election under a nonqualified deferred compensation plan.

Click below to learn more about the guidance:
Read Instant Insights

In addition to the guidance referenced above, on June 23, 2020, the IRS issued Notice 2020-51 regarding the waiver and rollover of 2020 required minimum distributions (RMDs). The CARES Act provided that the requirement to withdraw 2020 RMDs from defined contribution plans and IRAs was waived. This would include RMDs required by April 1, 2020, for individuals who attained age 70½ in...
2019 and RMDs required by April 1, 2021, that were attributable to 2020. Any RMDs that had been made for 2020 could be treated as eligible for rollover.

The CARES Act did not waive the 60-day rollover window, and since the CARES Act was not enacted until March 27, 2020, rollovers made early in the year may have fallen outside that window. The IRS addressed this issue in Notice 2020-51 by extending the rollover window for all previously paid 2020 RMDs to August 31, 2020. If rolling to an IRA, these rollovers will not count for the one-rollover-per-year limit.

Notice 2020-51 also allows 2020 RMDs paid as substantially equal periodic payments to be rolled over. Additional guidance may be forthcoming from the Treasury, IRS or DOL. In addition, Congress may pass additional COVID-19 relief packages that may include provisions affecting retirement plans. As always, we will keep you apprised of any new developments.

**ACEC Research Institute Roundtable Forecasts Substantial Changes to Building Design**

In the ACEC Research Institute’s second expert roundtable looking at the Post-COVID-19 engineering industry, the panelists discussed *The Buildings We Live and Work In*, forecasting that the pandemic will force substantial retrofitting of existing buildings and significant design changes to new buildings to enhance post-pandemic safety and comfort for occupants.

More than 100 ACEC members listened in on the discussion on Thursday among Dino DeFeo, managing partner, AKF; Peter DiMaggio, co-CEO, Thornton Tomasetti; Arathi Gowda, associate director, Skidmore, Owings & Merrill; and Kate Wittels, partner, HR&A Advisors. Joseph Bates of the ACEC Research Institute moderated the discussion. Panelists said remote working has become a new normal workplace due to COVID-19, but working from the office will remain.

DeFeo predicted more decentralized offices and that some headquarters facilities may no longer be as massive as before, “but you still might need office space for a collaboration area or a conference center. I think [this trend is] going to continue to accelerate until there is a vaccine. A lot of people won’t be comfortable coming back to the office until that’s the case.”

Gowda noted the concern that working remotely inhibits person-to-person collaboration. “Engineering, architecture, planning, are collaborative disciplines and there was always this idea that you had to have the groupthink in the office,” she said. “Although we all have experienced some things that are a little less efficient remotely, people also are seeing that we also can be very collaborative in our home environment.” Kate Wittels noted how the overall role of the physical office will evolve. “That’s really what we need to figure out,” she said. “And that will change how offices are laid out, since we had to produce everything in the office before.”

Panelists agreed that the pandemic will force building owners to alter workplace and occupancy designs such as shared spaces, along with issues involving elevators, workplace kitchens and bathrooms, and that those alternations would create retrofitting opportunities for engineers. The long-time engineering focus on energy efficiency in building design will also need to change, said DeFeo. “We’re going to start spending more time looking at the wellbeing of the building occupants. We’re going to have to give greater attention to ventilation rates, greater air changes, and higher humidity because we’re finding that humidification is great for the wellbeing of the person, regardless of a pandemic or not.”

DiMaggio said the design community is already responding to the crisis. “After 9/11, it took us a long time to say, ‘we’re going to go back into a high-rise building,’” he said. “The speed at which the design community has started to attack today’s problem is a positive thing. I’m excited to see where this ends up because we’re not stuck on the problem. We’re already talking about the solutions.”
Panelists noted that many future workplace solutions also must factor in conditions of public transportation. “Ultimately we'll figure out a way to safely transit and then we'll get back to where we were,” DiMaggio said. “But it's a tough challenge to keep public transportation safe.” Wittles emphasized the resiliency of the public to adapt to any future new normal requirements. “We've changed so quickly from working in the office to working from home that I think we can change our behavior to adapt to anything.”

Click [here](#) to stream “The Buildings We Live and Work In” roundtable.

---

**Highlights of Deltek’s 41st Annual Clarity Architecture & Engineering Industry Study**

On the latest Engineering Influence podcast, Deltek's Senior Product Marketing Manager Megan Miller offered her insights into the 41st annual Clarity Architectural and Engineering Industry Study, which Deltek released on June 17. Clarity identifies key performance indicators, market conditions, and industry trends and is a benchmarking study, designed to give firms a way to measure their performance in a variety of areas against their peers, including project management, financial performance, business development, and employee management.

For this year’s study, Deltek surveyed 415 architectural and engineering firms between January 21 and March 23, so the study period ended right on the cusp of the COVID-19 pandemic in this country. In our conversation we focused on what engineering firms can take from the study both in the short term to improve their operations despite the pandemic and over the long term.

Click [here](#) to listen to the podcast.

---

**Reopening Jobsites with Workers' Health and Safety in Mind**

Construction has seen demanding environments before, but COVID-19 has created a unique challenge. While protecting the health of workers remains top priority, ensuring project success remains vital for recovery. Join industry experts Andrew Cameron of Hensel Phelps, Luciano Lozano of Beldon Roofing Company and Raymond Levitt, former Civil and Environmental Engineering professor at Stanford, as they share their insights on construction's new normal and the solutions needed to ensure worker safety and project efficiency as you return to work. This webinar will be held on **July 15, 2020 at 1:00 PM in Central Time (US and Canada).** To register for the webinar, click [here](#).

---

**ACEC Research Institute to Host Expert Roundtable on Post-COVID-19 Engineering Industry**

The ACEC Research Institute will host one more virtual expert roundtable over the coming month exploring the post-COVID-19 engineering industry and the challenges and opportunities for engineering firms. Right now, we are focused on the short-term, but this session will look farther out to the horizon to help firm leaders think about what the marketplace will be like and what they need to do to succeed.
The Institute will live-stream the roundtable and invites ACEC members—and non-members—to attend and participate in the discussion. The roundtable will be an hour-long and will allow for questions from the audience. To register, click on the link below.

- July 16 Panel: Funding in the New Normal (1:30 pm ET)

Updated Coronavirus Resource Document Available

ACEC has updated their Coronavirus Resource Document. It includes information on COVID-19 Related News & Advocacy Resources; Global Snapshot from the World Health Organization; U.S. COVID-19 Statistics; Regional COVID-19 Statistics; and Conventions and Event Status for Groups and Associations.

To see this detailed document, click HERE.