

Update: July 15, 2020 is the Last Day for Making IRA and HSA Contributions

Working Together

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On March 23, 2020 we suggested that April 15, 2020 was the safe date for making contributions to traditional and Roth Individual Retirement Accounts (“IRAs”) and Health Savings Accounts (“HSAs”) to have them count for 2019. Notice 2020-23, issued on April 9, 2020 by the Internal Revenue Service (“IRS”) clarifies that these contributions are considered “specified time sensitive activities.” As such, IRA and HSA contributions for the 2019 tax year can be made up until July 15, 2020, the extended date for filing and paying 2019 individual income taxes.

Contributions to traditional and Roth IRAs and HSAs must be made no later than “the time prescribed by law for filing the return for such taxable year (not including extensions thereof)”. See Code Section 219(f)(3). For most taxpayers eligible to make these contributions, this usually means April 15th whether or not an extension to file the Federal income tax return has been requested.

Notice 2020-18, issued on March 20, 2020, suggested that in 2020 July 15th would be the last day for making IRA and HSA contributions but the guidance did not specifically grant an extended period to make the contributions. Fortunately, we now have clarity on this issue.

Tags: Health Savings Accounts (HSAs), Individual Retirement Account (IRA)