

More Important IRA Changes

that may affect you

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act; otherwise known as the CARES Act. In the March newsletter we informed you of important changes that President Trump put in place from the SECURE Act signed December 20, 2019. Here are some additional changes due to the CARES Act.

2020 RMD RELIEF

The 2020 Required Minimum Distribution (RMD) is waived for those IRA/SEP IRA/SIMPLE IRA accountholders or an IRA Beneficiary required to take an RMD for 2020. Letters have been sent out on applicable IRA accounts requesting that you call us if you wish to stop your 2020 automatic RMD. If we do not hear from you, your automatic distribution will take place as previously scheduled.

ROLL BACK OPTION

If you have already received your 2020 IRA/SEP IRA/SIMPLE IRA RMD, you have the option to roll it back into the IRA if done within 60 days of the distribution. If you are a Beneficiary that has already received your RMD from an Inherited IRA, you do NOT have the option to roll it back into the Inherited IRA. We will watch to see if the IRS releases additional guidance on this subject.

CORONAVIRUS-RELATED DISTRIBUTION REQUIREMENTS

If you meet certain requirements for a “coronavirus-related distribution” from an IRA or other eligible retirement account up to a limit of \$100,000, you may be able to spread the distribution in income over a three-year period beginning with the year the distribution occurred. Check with your tax preparer for further details.

REPAYING CORONAVIRUS-RELATED DISTRIBUTIONS

A person who has received a “coronavirus-related distribution” is allowed to repay the distribution at any

time during the three-year period beginning on the day after the distribution occurs. The person may make one or more re-contributions as long as the aggregate amount does not exceed the distribution.

2019 IRS CONTRIBUTION DEADLINE CHANGE

The 2019 IRA contribution deadline has been changed by the IRS to July 15, 2020.

Does this relief provide you more time to contribute money to your IRA for 2019?

Yes...until July 15, 2020.

Does this relief provide you more time to contribute money to your Health Savings Account for 2019?

Yes....until July 15, 2020.

Many things are changing rapidly in the retirement world during 2020. If you have any questions, feel free to give us a call and we will do the best we can to answer them. The IRS will need to issue further guidance for some questions so we will continue our efforts to obtain and provide new information.

2019 INCOME TAX FILING DEADLINE EXTENDED

The IRS changed the filing and payment deadline for 2019 income taxes from **April 15, 2020, to July 15, 2020.**