



Retirement Resources During Covid-19

In these disconcerting times of Covid-19, we'd like to share some good news, as the government has recently come through with some relief for retirement savers. On March 27, the massive "Coronavirus Aid, Relief, and Economic Security Act," or the "CARES Act," was signed into law. Below are the highlights relevant to retirement savers and those currently in retirement.

IRA Deadline Extended Until July 15

The IRS has extended the tax-filing deadline for 2019 federal income tax returns from April 15 to July 15, 2020. The extension of the tax-filing deadline also postpones the deadline for making 2019 prior-year contributions to traditional and Roth IRAs from April 15 to July 15, 2020.

2020 RMD Waiver

On March 27, the massive "Coronavirus Aid, Relief, and Economic Security Act," or the "CARES Act," was signed into law. The CARES Act includes a waiver of required minimum distributions (RMDs) for 2020. This waiver applies to company savings plans and IRAs, including both traditional and Roth inherited IRAs.

In addition, the CARES Act impacts 2019 RMDs for those who reached age 70 ½ in 2019 and have a required beginning date of April 1, 2020. Any 2019 RMD amount remaining and not already withdrawn by January 1, 2020 is waived.

Withdrawal Penalties

Waived are the 10% early distribution penalties on distributions of up to \$100,000 from IRAs and



plans for individuals who meet the requirements of being affected by the coronavirus. The tax would still be due on pre-tax distributions, but could be spread evenly over three years, and the funds could be repaid anytime during the three years.

Rules for plan loans are relaxed for those who meet the definition of being affected by the coronavirus with loan limits increased and repayments postponed.

Stimulus Check

Americans can expect a one-time direct payment stimulus check of up to \$1,200 for individuals (or \$2,400 for married couples) with an additional \$500 per child under age 17. These payments are based on the 2019 tax returns for those who have filed them and 2018 information if they have not. The amount is reduced if an individual makes more than \$75,000 or a couple makes more than \$150,000. Those who make more than \$99,000 as an individual (or \$198,000 as a couple) will not receive a payment.

Business Relief

The act also allocates \$500 billion for loans, loan guarantees, or investments to businesses, states, and municipalities.

Inherited 401(k)s

People who have inherited 401(k)s or Individual Retirement Accounts can suspend distributions in 2020. Required distributions don't apply to people with Roth IRAs; although, they do apply to investors who inherit Roth accounts.

At TRS, we continue to take every precaution to ensure the safety and health of our clients, teammates, and community. In addition to the good ol' telephone, we have digital solutions such as video conferencing available to connect and assist you, and we encourage you to consider them during this time.

Wishing you and your loved one's health and safety.

Sources:

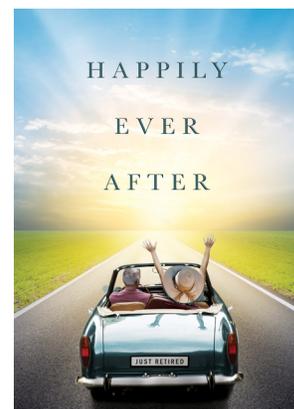
The Wall Street Journal
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