

Dear Clients,

FINANCIAL NEWSLETTER UPDATE
CARES Act Waives Required Minimum Distributions (RMD's)
from Retirement Accounts for 2020

Anyone with an RMD due in 2020 qualifies, including beneficiaries. We saw this in 2009 and we are seeing it again in 2020...

Why is this beneficial to me?

This helps because your 2020 RMD is based on your account value as of 12/31/2019 when the Dow was 28,462 compared to around 21,000 at this writing. As we know, the market is extremely volatile right now and could swing wildly. If the 2020 RMD had not been waived, this would have required seniors to take a larger percentage of their IRA as well as a larger tax bill on a higher, previous value.

Congress is now giving seniors time to sit this out and see what happens. Hopefully, the market will recover and give us time to recover declines in value.

Can I still take my RMD if I want to?

Yes. Although there is no downside to deferring, you can certainly still withdraw any money you need. For 2020, there is simply no requirement rule dictating what you must do.

Would it be a good time to convert to a Roth IRA?

Depending on your tax situation it very well could be a great time to do so. We will discuss this option in an upcoming newsletter/update.

If I have already taken my 2020 RMD, can I roll it back into my IRA?

Yes, it appears you can but the issue and timeline is still being debated. We believe it would have to be rolled back in within 60 days, but that timeframe, as well as if this would count towards the one rollover per year rule, is still in a rather gray area.

We will have more definitive answers by Monday, April 6th.

Best,

Joan, Tracy, Dawn & Dee

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