

★ | THE 2019 SECURE ACT PASSES

On December 20, 2019 the President signed a spending package that included the Setting Every Community Up for Retirement Enhancement (SECURE) Act. The SECURE Act ("the Act") intends to improve the nation's retirement systems through various changes that will help individuals trying to save and small business owners wishing to offer retirement plans.

There are many provisions included in the Act. This is a high-level summary of those most likely to impact you.



CHANGES THAT MAY IMPACT YOU

- 1.) Required Minimum Distribution Relief – Changing from 70 ½ to 72
- 2.) Non-Spousal Inherited IRA Rules changing from Lifetime (Stretch IRA) to 10 years
- 3.) IRA Contributions – No 70 ½ Age Restriction
- 4.) Qualified Charitable Distributions still allowed
- 5.) 529 Education Savings Accounts Expanded

Understanding the pitfalls and opportunities from these changes

- 1.) More years of tax deferral
- 2.) Additional years for Roth conversions prior to distribution
- 3.) Lack of "Stretch" option may create a tax burden on your heirs
- 4.) Qualified Charitable Distributions may save you on taxes
- 5.) Reduce taxes on earned income past age 70 ½
- 6.) Potential problems if a Trust is named as beneficiary

Find out how the Secure Act may impact you. We encourage you to schedule a visit soon.

