



ED SLOTT'S IRA ADVISOR

October 2020

Tax & Estate Planning for Your Retirement Savings

WHAT'S INSIDE?

Important Retirement Account Deadlines Loom

- Returning Unwanted RMDs After August 31
- Small Business Retirement Plan Deadlines
- Excess IRA Contributions and Recharacterization
- Coronavirus-Related Distributions
- Qualified Charitable Distributions
- Net Unrealized Appreciation

<Pages 1-4>

Executive Summary

<Page 2>

IRS Issues SECURE Act Guidance

- IRA Contributions After Age 70½
- Penalty-Free Distributions for Birth or Adoption
- More Areas of Guidance
- Further Guidance Needed

<Pages 4-6>

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<Pages 6-8>

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Important Retirement Account Deadlines Loom

For many of us, 2020 cannot end soon enough. Before that happens, however, a number of crucial retirement account deadlines loom. Missing any of these targets could deprive account owners of valuable tax benefits. Since many of these actions require cooperation from third-party IRA custodians and plan administrators, it is crucial not to wait until the last minute to act.

Returning Unwanted RMDs After August 31

One deadline that individuals do *not* have to worry about this year is taking required minimum distributions (RMDs) by year's end — *the CARES Act waived 2020 RMDs.*

Also included in this waiver were 2019 RMDs not due until April 1, 2020 and not taken in 2019. The waiver applies to RMDs from IRAs and company plans. It also applies to beneficiaries of inherited IRAs, inherited Roth IRAs and inherited plan accounts.

In [Notice 2020-51](#), the IRS provided an extension until August 31, 2020 for all individuals subject to RMDs who needed more time — *beyond the usual 60 days* — to repay an unwanted RMD received earlier this year.

Now that August 31 has passed, some 2020 RMDs can still be repaid, but the regular rollover rules will again apply.

This means:

- A rollover must be done within 60 days of receipt of the funds;
- The once-per-year IRA rollover rule applies (a rollover cannot be done within 12 months of a prior distribution that had been rolled over); *and*
- A non-spouse beneficiary cannot do a rollover.

However, under the CARES Act, a "qualified individual" still has plenty of time to repay the RMD. A qualified individual is someone who has been diagnosed with COVID-19 or whose spouse or dependent has been diagnosed. The definition also includes someone who experiences adverse financial difficulties because of a job-related event — *such as being furloughed, laid off or a reduction of hours or pay* — that impacted that person or spouse or a member of the person's household, resulting from COVID-19.

Under the CARES Act, a distribution (including an RMD) of up to \$100,000 paid to a qualified individual before December 31, 2020, can be repaid tax-free within three years to an IRA or to a company plan that allows rollovers. The three-year period begins on the day after the date the distribution is received.

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