



Legislative Summary:  
Cares Act 03/2020  
Secure Act 12/2019

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**In recent months, two pieces of legislation have passed that relate to Retirement Plans (Secure Act) and the Coronavirus (CARES Act). Listed below are just a few of the key components that may affect your plans.**

**CARES Act (CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY Act); March 27, 2020:**

- Required Minimum Distributions from IRA accounts have been waived for 2020 and do not need to be made up next year.
- Withdrawals of up to \$100,000 from retirement plans can be taken penalty-free if they are Coronavirus related. The 10% penalty for early withdrawal will be waived.\* Income tax will still be due on the distribution however, but can be spread out over 3 years.
- Any hardship distribution taken from a retirement plan due to the Coronavirus can be recontributed within 3 years.
- Small business owners facing hardships due to COVID-19 can delay payroll taxes to free up cash. Learn more: <https://www.irs.gov/coronavirus-tax-relief-and-economic-impact-payments>.

\*Coronavirus-related distributions are distributions made during 2020 to an individual who is diagnosed with COVID-19, who has a spouse or dependent diagnosed with COVID-19 or who experiences financial consequences as a result of COVID-19. (LPL Financial).

**SECURE Act (Setting Every Community up for Retirement Enhancement); December 20, 2019:**

