

# Pilot Grove Savings Bank

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## INVESTMENT SERVICES

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### **2020 Retirement Plan Notifications**

#### **CARES Act** (Temporary changes)

- Contributions for 2019 can be made up until 7/15/2020
- **2020 Required Minimum Distributions (RMDs) DO NOT have to be taken**
  - The have 60 days to return the RMD if already taken*
  - Can convert the RMD into a Roth IRA*
- Early Distributions from Qualified Retirement plans will have the 10% penalty waived for coronavirus-related distributions
  - Withdrawals from IRAs of up to \$100,000 for COVID-19 hardships for up to 3 years.*

#### • **2020 Contribution Maximum Limits**

Traditional IRA - \$6,000 (\$1,000 catch-up age 50 or older)

Roth IRA - \$6,000 (\$1,000 catch-up age 50 or older)

SIMPLE - \$13,500 (\$3,000 catch up age 50 or older)

SEP – Lesser of \$57,000 or 25% of compensation up to \$285,000

- 2020 Contribution Deadline to Traditional and Roth IRAs is **April 15<sup>th</sup>, 2021**.

- **\*Required Minimum Distributions are due by Dec 31<sup>st</sup>.**

**\*\*NEW\*\* Change to RMD Age:** Age raises to 72 from 70 1/2 at which individuals must begin taking RMDs from their retirement accounts.

Those affected are individuals who turn 70 1/2 AFTER December 31, 2019

*\*\*\*This change does not affect those who had an RMD or turned 70 1/2 in 2019—those individuals must take an RMD in 2019, 2020 and beyond.*

#### **Housekeeping Reminders:**

- Review your beneficiaries and make necessary modifications.
- Make sure you have a date set for an Annual Review with your financial advisor to go over any changes that may have affected your time horizon or objective