

# Pilot Grove Savings Bank

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## INVESTMENT SERVICES

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### ***2020 Retirement Plan Notifications***

- ***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\*\**** As of January 1st 2020—the 1st RMD age at 70 1/2 has been changed to age 72.

***Those affected are individuals born between July 1, 1949 and December 31, 1950***

- ⇒ **Individuals born between July 1, 1949 and December 31, 1949** are no longer required to take an RMD for 2020. They attain age 72 in 2021 and must take their first RMD for 2021. They can defer their RMD until April 1, 2022, but know that another RMD will be due by December 31, 2022
- ⇒ **Individuals born between January 1, 1950 and December 31, 1950** are not required to take an RMD in 2020 or 2021. They attain age 72 in 2022 and must take their first RMD for 2022. They can defer their RMD until April 1, 2023, but know that another RMD will be due by December 31, 2023.

***\*\*\*This change does not affect those who had an RMD in 2019.***

***Those individuals will continue to receive RMDs like prior years.***

#### ***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