



SECURE ACT 2020 UPDATES

Upcoming Program Updates:

Updates to our desktop programs became available January 2020. LIVE products are updated at release and do not require individual updates. All LIVE program updates made on the server and immediately and seamlessly available to users.

Programs Affected:

Retirement Plan Analyzer
Retirement Distributions Planner
Retirement Distributions LIVE
Charitable Financial Planner LIVE
Estate & Charitable Planner LIVE

Big Changes:

1. Beginning 01/01/2020, the RMD start age increases from 70.5 to 72. Anyone born prior to 06/30/1949 will continue their RMD schedules (they already have started based on the old rules). Anyone born 7/1/1949 and later will have their RMD start at age 72.
2. For Inherited IRA's where the plan owner dies on or prior to 12/31/2019, no changes are in effect and the pre-Secure Act rules are in place. There are no changes to inherited IRAs for non-spousal beneficiaries. Thus, those plans will continue to use the pre-Secure Act rules, allowing for Stretch IRA's.
3. For Inherited IRA's where the plan owner dies on 01/01/2020 or later, all non-spouse beneficiaries will be required to have the distributions paid out by year 10 of the anniversary of the plan owner's death.

There are exceptions to this. This is the exemption criteria:

1. The spouse is the beneficiary.
2. The age difference between plan owner and Inherited IRA beneficiary is no more than 10 years.
3. The beneficiary is disabled or chronically ill.
4. The beneficiary is a legal minor child of the plan owner, in which they will use the old rules until they reach the age of majority for their state.