



Required Minimum Distributions for 2020

In March of this year, Congress enacted the Coronavirus Aid, Relief and Economic Securities Act (CARES Act). Part of the CARES Act suspended the requirement to take required minimum distributions (RMD) in 2020. The suspension applied to RMD's from the IRA's and employer sponsored plans.

For those individuals who took their RMD prior to learning of the suspension, they had 60 days to roll the distribution back into their IRA, or other qualified plan, to avoid taxation of the RMD in 2020. In many cases, the 60-day period had expired, meaning the RMD was going to be taxable regardless of the change enacted by the CARES Act.

The Internal Revenue Service just recently provided relief to those taxpayers who took their RMD in 2020, but would like to take advantage of the CARES Act and suspend any RMD in 2020. For those taxpayers, they have until August 31, 2020 to rollover the RMD distributions and return them to the IRA or other qualified plan.

The extended time only applies to the RMD amount already taken in 2020, but applies to all amounts taken in 2020, even if taken in more than one payment.

If you took an RMD from your retirement account and have now decided you do not want to report such amount as taxable income in 2020, you need to take action before August 31, 2020 to roll the funds back into your IRA or other qualified retirement account.

Please contact us if you have any questions regarding your required minimum distributions in 2020.