

## NOTICE TO CLIENTS

Notice: 20-16

Notice Date: 3/31/20

Effective Date: 3/31/20

Department: IRAs

### Subject: CARES Act and Retirement Accounts

The Coronavirus Aid, Relief and Economic Security Act (CARES) addresses several provisions regarding retirement accounts.

- Required minimum distributions (RMDs) are suspended for 2020.
- Penalty-free withdrawals from your retirement plan. If a client is under age 59 1/2, the CARES Act waives the 10 percent penalty for IRAs and defined contribution plans for participants experiencing financial hardships. Coronavirus-related distributions may be taken for the following reasons.
  - The client, their spouse or dependent has been diagnosed with the coronavirus.
  - The client has experienced adverse financial consequences as a result of being quarantined, furloughed or laid off, or your work hours have been reduced.
  - The client is unable to work because of a lack of child care.
  - The client had to close or reduce the hours of a business as a result of the virus.
  - The client has been financially impacted by other factors determined by the treasury secretary.

#### **Additional Information:**

- Withdrawals up to \$100,000 made on or after Jan 1, will not incur the 10% early withdrawal penalty.
- A client will have up to three years to pay taxes on the withdrawals.
- Repayment of all or a portion of the distribution within three years will not be counted toward the annual contribution limits.

### **2019 IRA Contributions**

As of March 21st, federal income tax filing due date was extended from April 15, 2020 to July 15, 2020. This extended the IRA contribution deadline to **July 15, 2020**. Additional information regarding filing and payment deadlines may be found on the IRS website: <https://www.irs.gov/newsroom/filing-and-payment-deadlines-questions-and-answers>

York Securities is not a tax advisor and does not offer any tax advice. Clients should work with a qualified tax advisor for their unique situation.

Updates can be found at [www.irs.gov/coronavirus](http://www.irs.gov/coronavirus)

If you have any questions, please contact us.