

The **Setting Every Community Up for Retirement Enhancement (SECURE)** Act was passed as part of a spending bill and was enacted January 1, 2020, resulting in the most significant changes to retirement plans since 2006.

If you are retired or planning for retirement, you may have many questions. While some changes impact you, others will impact the people you name as a beneficiary.

What are the Changes?

1. You can contribute to your IRA longer.

Previously, you could not contribute to your IRA after reaching the age of 70½. However, more and more people are working past that age. The SECURE Act repeals this age limitation, allowing you more time to save.

2. The required minimum distribution (RMD) age changed.

The SECURE Act changed the age at which you must start taking RMDs from your retirement account from 70½ to 72 for those who were born July 1, 1949, or later. This change allows you additional time to grow the funds in your account before you have to start withdrawing from it.

3. IRA beneficiary rules have changed.

Prior to the SECURE Act, beneficiaries could take distributions throughout their lives. This offered tax savings for the beneficiary. The SECURE Act preserved this option for beneficiaries who are spouses, but repeals it for non-spousal IRA beneficiaries. They will now have 10 years to withdraw the entire amount.

What Stayed the Same?

If you're 70½ or older, you can still make a tax-free gift to a qualified charitable organization.

You can transfer any amount up to \$100,000 per year (\$200,000 for married couples) directly to a qualified charitable organization without paying income tax on the distribution. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions. You'll be able to see the immediate impact of your gift and the difference you are making in the lives of people affected by disability. Please contact the Joni and Friends Planned Giving Office at 818.575.1762 or email at plannedgiving@joniandfriends.org to discuss your benefits.

Review Your Plans

If you have questions about the impact of the SECURE Act on your retirement plans, be sure to make an appointment with your financial advisor. They can review the plans you have in place (including your beneficiary designations) and help make sure you are still on the right track.

Note: This information is not intended as tax, legal, or financial advice. Please check with your financial advisor to determine how a charitable IRA rollover gift will impact you.