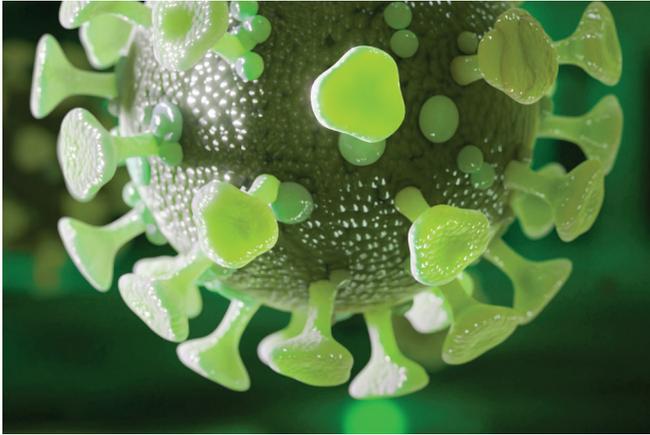


April 2020 TaxBrief



Our government is working fast and furiously to get needed financial relief to you as soon as possible. The recently passed *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) provides that relief in a number of ways.

2020 Recovery Rebates

The most immediate assistance will come to you in the way of a rebate of your tax. The payment will equal \$1,200 for single taxpayers and \$2,400 for married taxpayers who file a joint return. If you have dependent children under the age of 17, you'll receive an additional \$500 per child. The payment will phase out once your income reaches \$99,000 for single filers, \$114,500 for head of household and \$198,000 for joint filers.

There is nothing you need to do to receive this payment. It is automatic and based on what you reported on your 2019 income tax return. If you have not filed your 2019 return yet, the IRS will base your payment on your 2018 return.

If you have no income, or your income comes entirely from non-taxable, means-tested benefit programs such as SSI, you also qualify for the advance payment. If no returns were filed in 2018 or 2019, information from your 2019 Form 1099-SSA and Form 1099-RRB will be used.

The IRS intends to provide this advance payment through direct deposit using the bank account information you reported on your last filed return. If you did not include any bank account information on your tax return, you'll receive a check by mail.

Retirement Distributions

If you are affected by the coronavirus and are under 59½, you may withdraw up to \$100,000 from your retirement plan or IRA without incurring the 10% premature distribution penalty. Penalty-free distributions are those made after Jan. 1, 2020, and before Dec. 31, 2020.

You qualify for this distribution if you, your spouse or a dependent have been diagnosed with COVID-19 or are experiencing adverse financial consequences as a result of being quarantined, furloughed or laid off, working reduced hours due to the virus, being unable to work due to lack of child care because of the virus, or had to close your business or reduce the amount of hours your business is open.

Retirement Plan Loans

Under the current rules, you can generally borrow up to \$50,000 from your retirement plan tax-free if you agree to repay it within five years. This relief increases that amount to \$100,000. If you have a current plan loan you're repaying in 2020, you'll be granted a one-year delay for making that repayment.

Required Minimum Distributions

When you reach a certain age, generally 70½, you are required to take a minimum distribution from your IRA or retirement plan. If you are required to take a minimum distribution in 2020, you can choose not to without incurring a penalty.

Charitable Contributions

This relief allows you a deduction for being charitable. Generally, you must itemize your deductions to receive a tax benefit for charitable contributions. Beginning in 2020, you can make charitable contributions in cash of up to \$300 without itemizing your deductions.

This is a massive relief bill affecting millions of taxpayers. I only covered the portions I believe affect you directly. As always, please reach out to me with any questions you may have. Stay well!