

IRS PROVIDES CLARITY, FURTHER RELIEF FOR RETIREMENT DISTRIBUTIONS

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) passed in late March provided considerable relief to taxpayers who did not want to take required minimum distributions (RMDs) from a retirement account. The Act suspended RMDs for 2020 and allowed taxpayers to repay certain previously-taken retirement distributions. On June 23, the IRS issued Notice 2020-51 providing greater clarity and further relief for retirement distributions.

	Before (CARES Act)	After (IRS Notice 2020-51)
Repayment Deadline for Previously Completed Retirement Distribution	Later of 60 days or July 15, 2020	Later of 60 days or August 31, 2020
Eligibility for Repayment	For distributions completed between February 1, 2020 – May 15, 2020 <i>Not applicable for defined benefit distributions</i>	For already-completed 2020 distributions <i>Not applicable for defined benefit distributions</i>
Once-per-12 Months Rollover Restriction	Prior guidance generally held that only one retirement distribution could be repaid within a 12-month period	Not applicable, per the most recent IRS notice Taxpayers who had previously spread retirement distributions over several months may repay the entire balance by the August 31 deadline
Repayment of Distributions from an Inherited Retirement Account		Ordinarily, non-spouse beneficiaries cannot repay such distributions, however, the most recent IRS notice allows beneficiaries to repay retirement distributions by the August 31 deadline
Additional Notes for Employers		Per the IRS, "the notice provides two sample amendments that employers may adopt to give plan participants and beneficiaries whose RMDs are waived a choice as to whether or not to receive the waived RMD"

Taxpayers who already completed 2020 retirement distributions but, in hindsight, no longer need them may consider repaying the distribution by the August 31 deadline to avoid taxes that would ordinarily be due for such distributions.

For more information contact your HORAN Wealth Advisor at 51.745.0707.





Additional Resources:

[IRS Announces Rollover Relief for Required Minimum Distributions from Retirement Accounts that were Waived under the CARES Act](#)

June 23, 2020

[IRS Provides Relief for Retirees on Required Distributions](#)

By Anne Tergeesen, June 23, 2020

[As Of Today, 2020 RMD Suspensions Are Finally Good For All, Says IRS](#)

By Julie Jason, June 23, 2020

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