

CARES Act and Other IRA Updates

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. This law provided wide-ranging economic relief, including changes to IRA accounts and required minimum distributions (RMDs) for tax year 2020.

Since the enactment of the CARES Act, the IRS has been publishing additional guidance further clarifying the CARES Act relief. Below is a summary of important IRA and RMD changes that may impact one or more of your IRA accounts custodied at SEI Private Trust Company (SPTC).

Waiver of 2020 RMDs for IRA owners and beneficiaries

Any RMD that you would have been required to take in 2020 had it not been for the SECURE Act or the CARES Act has been waived. This notice supersedes any previous communication from SPTC regarding the need to take an RMD in 2020. You can still choose to withdraw IRA funds as needed, but there is no requirement to do so for 2020. If your IRA is on SPTC's Annual Auto-RMD service, you have the option to cancel that distribution prior to it posting in 2020, but SPTC will not cancel it without instructions.

Easing of the 60-day deadline to complete IRA-to-IRA rollovers

Any RMD amounts that have already been withdrawn in 2020 are eligible to be rolled back into your IRA. The funds must be returned by 8/31/20 to your IRA.

Waiver of one IRA-to-IRA rollover per year for RMDs

If your RMD was withdrawn in multiple distributions in 2020 from your IRA, you may now repay all those distributions into your IRA as long as the repayments are made by 8/31/20. Normally you are limited to one IRA-to-IRA rollover in a 12-month period.

Beneficiary IRA repayment option

Clients who own an Inherited IRA or Inherited Roth IRA are normally not eligible to return their distributions as Inherited IRA-to-Inherited IRA rollovers. However, if the distribution would have been an RMD if not for the CARES Act RMD waiver, it can be rolled back into the inherited account so long as it is repaid by 8/31/20.

Please reach out to your Investment Advisor with any questions on how to perform the above actions or with any further questions.

Custody services provided by SEI Private Trust Company (SPTC), a federally chartered limited purpose savings association and wholly owned subsidiary of SEI Investments Company (SEI).

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