

New CARES Act relief updates related to COVID-19

DATE: July 8, 2020

The Internal Revenue Service (IRS) released additional guidance in regard to the CARES Act in Notice 2020-50 and Notice 2020-51. Highlights of updated items from the additional guidance are provided below.

- Deadline to return required minimum distributions (RMDs) as an indirect rollover has been extended from July 15, 2020, to Aug. 31, 2020. RMDs returned Sept. 1, 2020, and later must be returned within 60 days of distribution.
- RMDs taken in January 2020 can now be returned as an indirect rollover until Aug. 31, 2020.
- IRA beneficiaries are now allowed to return 2020 RMDs as an indirect rollover.
 - **Spouse beneficiaries:** The same rules to return 2020 RMDs apply as those for (non-inherited) IRA funds.
 - **Non-Spouse beneficiaries:** RMDs may be returned until Aug. 31, 2020. RMDs cannot be returned Sep. 1, 2020, or later.
- In general, only one indirect rollover can be performed in a 365-day period. This general rule does *not* apply to the return of an RMD covered under the CARES Act.
- In general, if an owner passed away in 2019, the beneficiary has until Dec. 31, 2020, to elect and begin receiving stretch payments (sometimes called beneficiary RMDs). For this specific scenario, the IRS has extended the deadline to make this election to Dec. 31, 2021.
- The list of individuals eligible to take a coronavirus-related distribution (CRD) was expanded.

To learn more about tax relief efforts and updated guidelines in regard to the CARES Act, [click here](#).

FAQ resource to help clients

We have updated the common questions and answers to reflect the additional guidance provided by the IRS.

[View FAQ](#)

If clients have additional questions, we encourage them to meet with a qualified tax professional to review their specific situation and determine how it will impact their tax return.

Thank you for your continued business with American Equity. If you have any questions, please call Marketing at 888-647-1371.



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