

## SECURE Act and CARES Act | Required Minimum Distributions

Required Minimum Distributions (RMDs) are distributions the Internal Revenue Code requires you to take from your retirement plan by a certain point in time. Two new laws impact RMDs: *The Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act)* and the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*.

### How Do the New Laws Change the RMD Rules and What Does this Mean for Me?

#### SECURE Act



- Increases the age at which an RMD is first payable, from age 70½ to age 72<sup>1</sup>
- Initial RMDs are now due by April 1 following the year in which you reach age 72, or the year in which you retire or terminate, whichever is later<sup>1</sup>
- Requires the deceased participant's entire account balance in a defined contribution plan to be distributed within 10 years,<sup>2</sup> unless the beneficiary is a:
  - Surviving spouse
  - Disabled or chronically ill individual
  - Individual no more than 10 years younger than the participant
  - Minor child
- Changes apply to defined benefit and defined contribution plans, excluding Puerto Rico plans, except where noted above

**WAIVED**

#### CARES Act

- Waives any RMDs that would have been due in 2020<sup>3</sup> for you, surviving spouses, non-spouse beneficiaries and alternate payees (e.g., divorced spouses)
- Allows beneficiaries who are required to take a full account distribution within a specified number of years (e.g., 5 or 10) of the participant's death to disregard calendar year 2020, provided the 5- or 10-year period would otherwise count such year toward the total
- Changes apply only to defined contribution plans

<sup>1</sup> Applies only if you reach age 70½ after 2019.

<sup>2</sup> Applies to participant deaths after 2019 and, for participants who died before 2020: deaths of their beneficiaries after 2019.

<sup>3</sup> Includes initial RMDs due April 1, 2020 (if they were not distributed by December 31, 2019), RMDs due December 31, 2020 and initial RMDs due April 1, 2021.

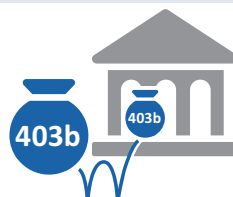
### What Do I Need to Do?

There is **NOTHING** you need to do as a result of the SECURE or CARES Act changes to RMDs, unless you would like to do one of the following:



#### Take a distribution in 2020

Wespath will not *automatically* distribute 2020 RMDs. You may request a distribution at [benefitsaccess.org](https://benefitsaccess.org). If you do not have Internet access, contact Wespath at **1-800-851-2201**.



#### Roll over the amount you would have received as an RMD

You can take a distribution and make an (optional) indirect rollover to a retirement plan that accepts rollovers to an IRA, as long as this rollover is made within 60 days of the distribution or, if later, by *August 31, 2020*.



#### Stop your payments

...if you are enrolled in LifeStage Retirement Income or Self-Managed Retirement Income. Wespath will not *automatically* stop your payments; you must notify us. You may reenroll at any time.

### Where Can I Find More Information?



For more specific information about these rules or help understanding how they may apply to your unique situation, read our [SECURE Act FAQs](#), [CARES Act FAQs](#) and [CARES Act summary](#). You may also contact EY Financial Planning Services at **1-800-360-2539**<sup>4</sup> for personalized guidance on your distribution strategy or call us by phone at **1-800-851-2201**.

<sup>4</sup> Costs for EY are included in Wespath's operating expenses that are paid for by the funds. Services are available to active participants and surviving spouses with account balances, and to retired and terminated participant with account balances of at least \$10,000.