# The SECURE Act
# Two New Important Policy Changes That Might Affect You Or Your Parent's Retirement Accounts

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On 12/20/2019, The SECURE Act (Setting Every Community Up for Retirement Enhancement) was signed into law.

This legislation contains policy changes aimed towards making retirement savings easier and more accessible for many Americans, but also included some new pitfalls.

At Eppolito Financial Strategies, we believe the following two changes will be of particular importance to many investors.

## 1. Required Minimum Distribution (RMD) Starting Age

Generally, retirees have historically been required to start withdrawals from pre-tax retirement accounts by the end of the year in which they turn age 70 ½. As of 2020, the starting age for RMDs is now age 72.

We believe this may be a positive for many investors as it offers more flexibility to tailor retirement income strategies, potentially benefit from conversions to Roth IRAs, etc.

Please note: Any RMDs not taken are subject to a 50% penalty.

## 2. Elimination of The "Stretch" IRA

Stretch Individual Retirement Account (IRA) strategies have historically been a powerful tool used for advanced tax planning. Generally, IRAs allowed IRA beneficiaries to stretch-out distributions over their lifetime. As pre-tax IRA distributions are taxable and tax rates are progressive, the elimination of the stretch IRA for non-spouse beneficiaries may create problems for many investors – particularly for those in relatively high tax brackets.

*We believe the prescriptions to these and to other planning issues should be considered in the context of a comprehensive retirement savings and income strategy.*

This has been written in general terms. You'll need to ask your tax advisor for the specifics. Please see Important Disclosures below.

**We're happy to offer a free review of your financial situation and goals. Please feel free to contact us.**

-Eppolito Financial Strategies

Important Disclosures

Financial and investment planning inherently involve potential tax and legal implications, with which we are generally familiar. We do not, however, practice as lawyers or CPAs and cannot give specific legal or tax advice. You should always consult with your tax advisor, or your attorney, when making complicated legal or tax decisions, however, we're glad to work with your tax or legal professional to help you meet your financial goals. Changes in tax laws or regulations may occur at any time and could substantially impact your situation.

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