**BANK OF SOMEWHERE Letterhead**

Date

**BANK OF SOMEWHERE**

**ADDRESS**

**ZIP/CITY/STATE**

**IRA and Retirement Plan Changes in the CARES Act**

Dear **[Insert Customer Name]:**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act recently passed by Congress and signed into law by President Trump contains a few provisions regarding rule changes for retirement plans:

* Required minimum distributions (RMDs) are suspended for 2020. All RMDs are suspended, including those for inherited IRAs as well as traditional IRAs of those over 70 ½.

You are advised to consider carefully about whether to take advantage of this suspension and to always consult with your tax professional regarding pros and cons. If you have already taken your 2020 RMD, you may be required to include it in your gross income and pay taxes on it, but again, consulting with your tax professional would be advised.

* Due to the tax return filing deadline for 2019 income tax returns being extended to July 15th, 2020, the deadline for making a 2019 contribution to an IRA is also extended to July 15th.
* Additionally, the 10% penalty for taking early distributions from qualified retirement plans, including IRAs and 401(k)s has been waived. This waiver applies to distributions taken between January 1, 2020 and December 31, 2020. Up to $100,000 of distributions avoids the penalty.

**BANK OF SOMEWHERE** is here to assist you with your account should you have any questions. And as always, consult with your tax professional for additional guidance.

Sincerely,

**Name**

**Title**

**Contact Information**