



Breaking News: SECURE ACT Passes...Changes Retirement Planning

The SECURE ACT was approved by both branches of congress this week. It is expected to be signed by President Trump shortly. This is the biggest change to retirement planning since 2006's Pension Protection Act. The legislation is designed to make it easier for workers to save for retirement. However, it will also have significant impacts on retirees and their beneficiaries.

The three biggest things that you need to be aware of immediately, are:

- 1) The RMD age is going up to 72 beginning in 2020.
- 2) The Stretch IRA is going away. Inherited IRAs will need to be distributed to (non-spousal) beneficiaries within 10 years of the owner's death.
- 3) IRA contributions can be made at any age, as long as the account holder has earned income. Previously, contributions were not allowed after age 70 ½.

There were lots of other changes that will make it easier for small employers to offer 401k plans and part-time employees to participate. We will be reporting more on this development as more details emerge. In the meantime, Happy Holidays.

By Jeremy Kisner, CFP