

We are always grateful for your trust in recommending us to others. A referral from you and your continued business are the highest compliments we could ever receive.

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# Client Bulletin



Volume XXXVII, No. 6

June 30, 2020

## IRS Notice-Permitted Repayment by August 31, 2020 of 2020 RMD from an IRA

In the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) as to Individual Retirement Accounts (IRAs), it is provided that the age requirement for the beginning date for Required Minimum Distribution (RMD) is 72 ½ years old, rather than the prior 70 ½ years old, and that the RMD does not have to be taken in 2020.

In IRS Notice 2020-51, issued in the latter part of June, the IRS set forth that in the case of an IRA owner or beneficiary of an IRA who had already received a distribution from the IRA that would have been an RMD in 2020 but for the CARES Act (and a provision in the SECURE Act), the owner or beneficiary who received the distribution may repay the distribution to the IRA even if the repayment is made more than 60 days after the distribution (the normal time period for reversing a distribution from an IRA by repaying the distribution to the IRA), provided that the repayment is made by August 31, 2020.

Notice 2020-51 failed to address whether only partial repayment of the RMD is permitted. Thus, to be safe, unless further guidance is provided by the IRS, the entire amount of the RMD should be repaid, including any amount withheld from the RMD and paid to the IRS for federal income tax withholding (typically 20% of the RMD).

IRA distribution amounts received in 2020 in excess of the RMD amount and not repaid within 60 days of the date of distribution cannot be repaid pursuant to this provision in Notice 2020-51 and are/will be subject to federal income tax.

## Delaware Area Career Center Announces Portfolio Winners

The Career Portfolio contest is designed to allow students to showcase their achievements. These portfolios are meant to be used to help the students apply for jobs, scholarships, and college. The students create their portfolios using various documents, photos, and videos that demonstrate their specific skillset, including volunteer work and extra-curricular activities. One student from each of the seven Delaware County high schools and a student from the Delaware Area Career Center were chosen, with each taking home an award and \$250. Manos, Martin & Pergram was once again a proud sponsor of this annual event. Congratulations to the winners!

## Reminder - Alpha Group Zoom Duck Derby Virtual Race

A reminder that the Alpha Group Zoom Duck Derby Virtual Race will be held on July 26, 2020. You can watch the ducks race down the Zoombezi Bay Lazy River on Facebook Live starting at 8:30 a.m. For more information or to make a donation, please call (740) 368-5810 or visit Alpha Group's website - [www.alphagroup.net](http://www.alphagroup.net)

This bulletin provides general information and is not legal advice. Please contact us if you need legal advice.

If you have friends or associates whom you think would enjoy receiving a copy of this Client Bulletin, please feel free to forward it on. Thank you.