

The CARES Act & Special Rules for Use of Retirement Funds

March 27, 2020 -Tax relief for individuals through the Coronavirus Aid, Relief, and Economic Security (CARES) Act is here. This includes a modification to the tax treatment of certain retirement fund withdrawals.

For retirement plan distributions, an exception would be provided to the 10% early withdrawal penalty for distributions up to \$100,000 for coronavirus-affected individuals. Income from such distributions would be recognized over a three-year period. Taxpayers may recontribute funds to their eligible retirement plan in the first year or within three years without regard to the year's contribution cap.

Another modification for coronavirus-affected individuals includes the increase in loan limits from retirement plans from \$50,000 to \$100,000. Lastly, the repayment deadlines for current loans that are due in 2020 are being delayed.

To explore your options further, please contact [Criste Staples](mailto:cstaples@dopkins.com) at cstaples@dopkins.com.