

The **Coronavirus Aid, Relief, and Economic Security (CARES) Act** of 2020 contains the following provisions that may benefit your personal financial situation this year:

### **“Recovery Rebates”**

- Payments of \$1,200 for a single taxpayer and \$2,400 for a married couple
- Additional \$500 for each child under age 17
- Payments reduced starting at these 2020 income thresholds: \$75,000 (single), \$112,500 (head of household), and \$150,000 (married)
- Based on 2018 or 2019 (if already filed) tax return (reconciled on 2020 return)
- Look for your rebate in the bank account that is listed on your most recent tax return or that receives your Social Security benefits
- Find more information here: <https://www.irs.gov/coronavirus>

### **\$300 Deduction for Qualified Charitable Contributions**

- You can deduct up to \$300 in cash contributions to charitable organizations.
- Reduces your gross income – do not need to itemize deductions to qualify

### **Student Loan Provisions**

- Payments on Federal student loans may be suspended until September 30, 2020 with no accrual of interest.
- **Suspended payments still count toward income-driven repayment (IDR) plans and the Public Service Loan Forgiveness (PSLF) program.** This is a huge benefit for borrowers in this program!!
- Employers can add a new employee benefit (in 2020 only) by providing up to \$5,250 for student debt payments (not taxable to employee).

### **Required Minimum Distributions Waived for 2020**

You do not have to take Required Minimum Distributions (RMDs) from any retirement accounts in 2020. If you don't need the funds, you can avoid paying taxes on them this year.

### **Coronavirus-Related Distributions from Retirement Accounts**

If you or your family have been affected by the coronavirus, you may qualify for a loan or penalty-free distribution from your retirement accounts. In general, we recommend that you consider all other options before taking early withdrawals from retirement accounts. Please contact us or your own advisor if you are considering this option.

### **Other Benefits**

The CARES Act also significantly expands **unemployment compensation benefits** and creates **new loans, grants, and tax benefits for small businesses**. If these provisions are relevant to you, we can provide additional information as needed.

Finally, the IRS has extended the **deadline for filing and paying taxes to July 15, 2020**. This also means that you can make **2019 contributions to Individual Retirement Accounts (IRAs) and Health Savings Accounts (HSAs) until July 15, 2020**.

***As financial advisors, our job is to help you adjust your financial plan as life throws curve balls. We are here to support you and your family during this time.***