

Setting Every Community Up for Retirement Enhancement Act (SECURE ACT)



Introduction: On December 20, 2019, President Trump signed the Setting Every Community Up for Retirement Enhancement Act (SECURE Act), which is effective January 1, 2020. The Act is the most impactful legislation affecting retirement accounts in decades. The Act is expected to generate \$16.4 billion over the next 10 years.

Pre-SECURE Act: Prior to the SECURE Act, “designated beneficiaries” had the ability to “stretch” the required minimum distributions from inherited retirement accounts over the beneficiary’s life expectancy.



Post-SECURE Act: The SECURE Act provides for the following changes:

1. Increases the required beginning date (RBD) for required minimum distributions (RMDs) from your individual retirement accounts from 70 ½ to 72 years of age.
2. Eliminates the age restriction for contributions to qualified retirement accounts.
3. Eliminates “Stretch IRAs” and requires “designated beneficiaries” to withdraw the entire balance of an inherited retirement account within ten (10) years of the account owner’s death.
4. Authorizes “eligible designated beneficiaries” (i.e. surviving spouses, minor children of the participant, disabled and chronically ill beneficiaries, and beneficiaries less than 10 years younger than the participant) to withdraw the balance of the inherited retirement account over the life expectancy of the beneficiary.
5. Authorizes annuities as an investment vehicle within 401k accounts.

Please contact Livens & Reed, PLLC for a proper analysis of your estate planning goals and planning for your intended beneficiaries’ circumstances are imperative to ensure your goals are accomplished and your beneficiaries are properly planned for.

Bedford Office:
2516 Harwood Road,
Bedford, Texas 76021
Phone: (817) 545-3425
Fax: (817) 545-9847



Addison Office:
14131 Midway Road, Suite 1100
Addison, Texas 75001
Phone: (972) 685-5202
Fax: (972) 685-5206

Livens & Reed, PLLC