

RMD Rollovers: What to Remember When Filing Taxes



By [Paige McInnis](#), *Associate*

Between the SECURE Act of 2019 and the CARES Act of 2020, it may be difficult for individuals to stay updated on the evolving tax laws. The CARES Act RMD changes are exclusive to the 2020 tax year, so it's important to stay on top of temporary modifications.

CARES Act: RMD Rollovers

If you are an individual over the age of 70 ½ with a retirement plan or are the beneficiary of an inherited IRA, you are likely aware [2020 RMDs have been waived](#) as part of the CARES Act. Defined benefit plans are excluded from this exemption. Those who took RMDs in 2020 had the option to rollover or roll money from one type of retirement account to another within 60 days, by August 31 to avoid paying taxes on the distribution. This was a unique benefit of the CARES Act, as typically RMDs cannot be rolled over. While the rollover relief laws have been amended several times, the [final regulation](#) **allowed distributions from January 1, 2020, to be rolled over through August 31, 2020, without following the 60-day rule.**

Filing Your Taxes

As the tax deadline is approaching, it's important to provide your CPA with the information on your 2020 RMD if it was processed and on any rollover before the August 31 deadline. Distributions of \$10 or more will generate a 1099-R Form, which must be reported to the IRS.

Consult your financial advisor and tax professional to determine what, if any, taxes are owed for your retirement distribution. Please note RMDs are set to resume for the [2021 tax](#) year.

Disclosure

This communication and its content are for informational and educational purposes only and should not be used as the basis for any investment decision. The information contained herein is based on publicly available sources believed to be reliable but is not a representation, expressed or implied, as to its accuracy, completeness or correctness. No information available through this communication is intended or should be construed as any advice, recommendation or endorsement from us as to any legal, tax, investment or other matters, nor shall be considered a solicitation or offer to buy or sell any security, future, option or other financial instrument or to offer or provide any investment advice or service to any person in any jurisdiction. Nothing contained in this communication constitutes investment advice or offers any opinion with respect to the suitability of any security, and this communication has no regard to the specific investment objectives, financial situation and particular needs of any specific

recipient. Past performance is no guarantee of future results. Additional information and disclosure on Pathstone is available via our Form ADV, Part 2A, which is available upon request or at www.adviserinfo.sec.gov.