

CARES ACT— Special Access to Retirement Accounts

The CARES Act created Coronavirus-Related Distributions (CRD), which provides special access to retirement accounts to individuals impacted by the Coronavirus.

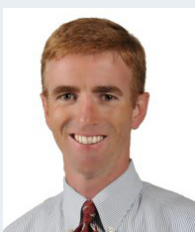
Qualified individuals include:

- Diagnosed with COVID-19
- Has a spouse or dependent who is diagnosed with COVID-19
- Experiences adverse financial consequences because of being quarantined, furloughed or laid off, or having work hours reduced due to the virus
- Is unable to work due to lack of childcare because of the virus
- Owns a business that had to close or operate under reduced hours due to the virus, or
- Any other factor as determined by the IRS

Qualified individuals can access up to \$100,000 of their retirement accounts and avoid the normal 10% early withdrawal penalty if taken any time in 2020. This distribution can be paid back over three years, making this equivalent to a tax-free loan from your retirement accounts. If the funds are not paid back, you are able to spread the income and resulting tax liability over three years (1/3 of distribution reported in 2020, 2021 and 2022). If your income is substantially lower in 2020, it may be optimal to include 100% of the distribution on this year's tax return. If an income tax is paid on a distribution but then funds are later paid back into the retirement account, an amended tax return can be filed to recover taxes paid.

Note: 401k providers are not required to offer CRD distributions. If your plan does not offer this feature, ask the plan administrator to amend the plan. CRDs distributions taken from a 401k plan are not subject to a mandatory 20% tax withholding.

In all instances, a full review of your financial situation should be done prior to a distribution to access all your options.



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