

While most of us were enjoying the holidays, our friends in Washington were busy tinkering with traditional Individual Retirement Accounts (IRAs).

As you may have heard, Congress passed legislation late last year that changed the rules for traditional IRAs and other defined contribution plans. These changes went into effect on January 1, 2020.

Over the years, there have been many changes to the tax laws affecting retirement, and this one is no different. If you reach age 70½ in 2020, you can delay taking your first required minimum distribution (RMD) on your traditional IRAs until April 1 of the year after you turn 72. If you turned 70½ in 2019, you will still be required to take your first RMD by April 1, 2020. This may not sound like a big deal, but I can assure you, keeping your money in a tax-deferred account for another 18 months may alter some of the retirement income projections we have created.

The other thing that's changed? You can continue contributing to your Traditional IRA past age 70½. There's no requirement to stop contributing as long as you meet the earned income requirement.

Of course, your particular situation may warrant some adjustments. I'm happy to talk to you about any questions you have. And we'll be keeping a close eye on the legislation, to say the least.

**Footnotes, disclosures, and sources:**

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