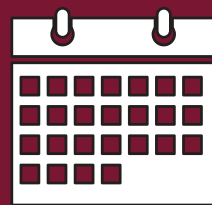


# KEY TAKEAWAYS FROM THE SECURE ACT

Signed into law on Dec. 20, 2019, the Setting Every Community Up for Retirement Enhancement (SECURE) Act may have an impact on your retirement savings. Below are some key provisions of the SECURE Act:

## REQUIRED MINIMUM DISTRIBUTIONS (RMDs) PUSHED BACK TO AGE 72

Previously, individuals were required to start taking withdrawals from their IRAs and 401(k)s at age 70 1/2. The new provision allows RMDs to be delayed until age 72 for those who turn 70 1/2 in the year 2020 or later.



## MAKE IRA CONTRIBUTIONS BEYOND AGE 70 1/2

Individuals can now contribute to their Traditional IRAs past age 70 1/2 provided they are still working and meet the earned-income requirement.

## PART-TIME WORKERS ELIGIBLE TO PARTICIPATE IN COMPANY 401(K)

Employees who have worked either 1,000 hours during one year or 500 hours per year over three consecutive years, can now participate in their company's 401(k) plan.



## LIMITS ON STRETCH IRAS

IRAs inherited by non-spouse beneficiaries, in most cases, will have to withdraw assets from the inherited plan within 10 years following the death of the account owner.

## 529 FUNDS TO PAY DOWN STUDENT LOAN DEBT

Up to \$10,000 in unused funds in 529 savings accounts can now be used to pay off student debt over the course of the student's lifetime.



## PENALTY-FREE WITHDRAWALS FROM 401(K) PLANS UPON A CHILD'S BIRTH/ADOPTION

Parents can withdraw up to \$5,000 each from IRAs or 401(k)s without facing early withdrawal penalties upon the birth or adoption of a child.

For questions on how the SECURE Act may impact your retirement planning, contact us at 610-727-4900 or [info@pfgadvisors.net](mailto:info@pfgadvisors.net).

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850 Cassatt Road, Suite 200  
Berwyn, PA 19312  
[PFGADVISORS.NET](http://PFGADVISORS.NET)