

**WILLAMETTE**  
FINANCIAL ADVISORS, LLC  
PERSONALIZED ADVICE FROM FINANCIAL ADVISORS

## WFA Connection Winter Forum - 2020

### Program Schedule

- 6:00pm - 6:30pm Social
- 6:30pm: - 8:00pm - Program Presentation and Q & A
- 8:00pm - 8:30pm - Social

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## Welcome all to our Winter Forum

**Program Topics:**

- How to protect yourself from the ever-increasing threat of cyber attacks
- Overview of the Secure Act: What you need to know in retirement and estate planning

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## The WFA Team

 Ron Barry	 Jim Jones	 Dana Gardner	 Steve Silver
 Rich Steronko	 Elizabeth Barry	 Janie Selby	

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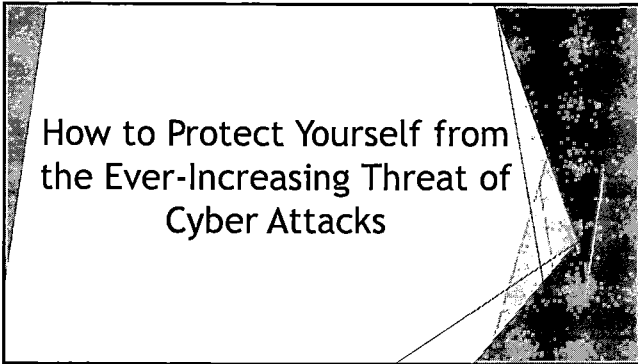
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# How to Protect Yourself from the Ever-Increasing Threat of Cyber Attacks

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**Jaime Barraza**  
Partner & Chief Technology Officer, TCG  
President, Cyber Security

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**Jaime is:**

- Responsible for the array of digital solutions that power the TCG service companies.
- Specializes in integrating people, processes, and technology to solve challenging and unique business problems.
- Jaime joined TCG in 2001, shortly before graduating from the University of Texas with a Bachelor of Arts in Economics and a Minor in Business Administration in 2002.
- For the past two decades Jaime has directed fast-paced technological changes and tremendous growth across lines of business that include Benefits, Advisory, Administration, and Financial Wellness.

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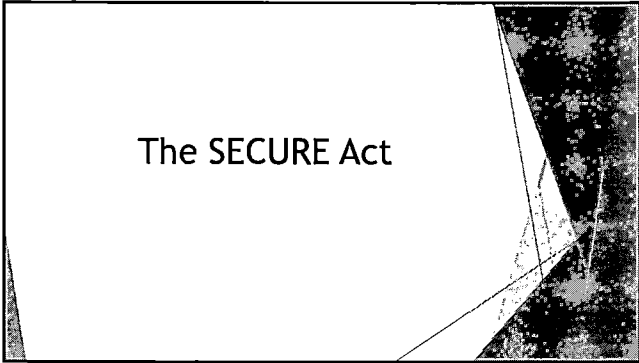
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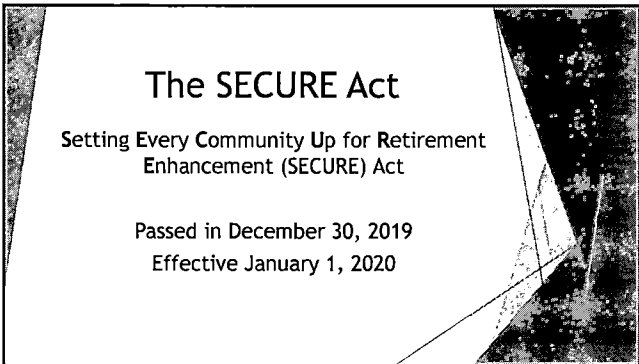
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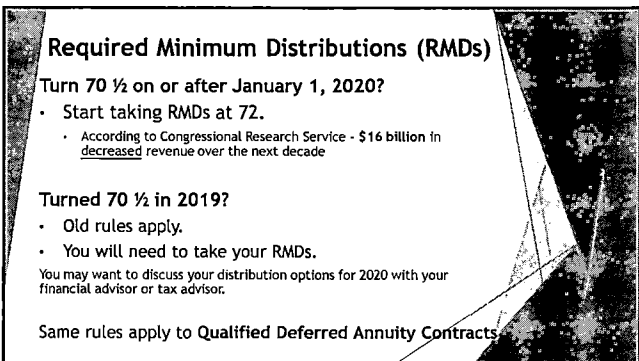
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**Other New IRA Rules**

Contributions - Taxable year 2020 and beyond

**Age Limit Removed:** Individuals 70 ½ and older may continue to contribute to a Traditional or Roth IRA as long as:

- The individual has earned income

**Early Withdrawals - Birth or Adoption**

Qualified birth or adoption distribution of up to \$5,000 (not subject to 10% penalty)

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**In-Service Withdrawals from Defined Benefit Pension and State & Local Governmental 457(b) Plans**

Minimum age is now 59½ (down from age 62 or 70½), provided the plan offers in-service withdrawals.

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**403(b) Plan Changes**

TSA, or 403(b), plans may now “roll over” the mutual fund investments “in-kind” to IRA accounts.

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**New Compensation Permitted for IRA and Retirement Plans**

Certain types of compensation now eligible for IRA and/or retirement plan contributions (i.e., treated as "earned income")

- Stipends paid to graduate students
- Tax exempt "Difficulty of care" payments to foster parents and home care providers

Contributions are treated as "after-tax" contributions

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**Withdrawals for Major Disasters**

Retirement plans can allow penalty-free withdrawals from retirement accounts of up to \$100,000 (formerly \$50,000) for:

- Major disaster as declared by the President under federal law.

Option of:

- Taxable over a three-year period, or
- Repaid during the three-year period to avoid taxation.

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**CHANGES EFFECTIVE FOR TAX YEARS AFTER 2020**

**Part-time employees** who work at least 500 hours/year for three consecutive years must be offered the opportunity to participate in a company's 401(k) plan. (former rule was 1000 hours)

- These employees are not required to receive company matching contributions (even if the plan is top-heavy and must satisfy the top-heavy requirements).

Effective Date of Change: After December 31, 2020.

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**529 PLAN CHANGES**  
EFFECTIVE FOR TAX YEARS AFTER 2021

**Expands** the Definition of Tax-Free or Qualified Distribution from a 529 Savings Plan

- Up to \$10,000 can be used towards repayment of student loans and expenses for certain apprenticeship programs.
- This change is **retroactive** to distributions made after December 31, 2018. (\*\*Keep records!!)

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**Changes to Inherited IRAs and Defined Contribution Retirement Plans**

**Example 1:** Original IRA owner who passed away prior to January 1, 2020

- No change to the current distribution schedule are required

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**Example 2:** Original IRA owner passed away after December 31, 2019

Most beneficiaries must withdraw ALL assets within 10 years!

**\*\*No more stretch IRAs for non-spousal accounts! ☹**

**Other Exceptions include:** minor child, disabled or chronically ill individual, and beneficiaries less than 10 years younger than decedent

According to Congressional Research Service - \$15.7 billion in additional revenue over the next decade

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**What does this Mean for IRAs**

- ▶ Participation in Roth IRAs will likely increase
- ▶ More Corporations may offer Roth Retirement accounts
- ▶ Federal revenue from may decrease as more investors move to Roth IRAs
- ▶ IRAs bequeathed to Conduit or Pass-through Trusts must also be liquidated within 10 years
- ▶ Investors may need to reevaluate estate planning strategies
  - For example, preferential use qualified (taxable) accounts for income until when (iff?) the Secure Act tax laws expire in 2025

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**Key Take-Aways  
Impact on Retirement Planning**

- Reevaluate your post retirement income sources
- Consider postponing RMDs until 72
- If working at 70 ½ and beyond, know that you can contribute to Traditional and Roth IRA accounts
- 403(b) plans may “roll over” the mutual fund investments “in-kind” to IRA accounts
- Part-time employees who work at least 500 hours for 3 consecutive years must be offered the opportunity to participate in 401(k) plans

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**Key Take-Aways  
Impact on Retirement Planning**

- Reevaluate the structure of 529 and other student loan debts
- The new rules impact previous assumptions regarding Beneficiary IRAs

**Call to Action**  
Reevaluate your current Retirement and Estate Planning goals and strategies

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### That Concludes our Presentation

Thank you for attending the WFA Forum

Feedback cards have been provided on the tables

- We would appreciate your feedback so we can continue to improve these events and provide you with the most relevant information possible.

\*\*\* We hope to host an Open House and Shredding Event in late April, just after tax season - watch for more information

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