# Retirement Planning SECURED? Action Steps for Plan Participants and IRA Owners

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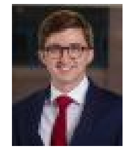
February 19, 2021



## Passed by Congress in late 2019, the SECURE Act (Act) contained the most significant changes to qualified retirement plans (QRPs) and IRAs since the Pension Protection Act of 2006.

Notably, the Act eliminated the ability of most non-spouse QRP and IRA beneficiaries to receive distributions over the beneficiary's remaining life expectancy.  Despite the Act's impact on retirement and estate plans, Congress's pandemic-related legislation last year largely overshadowed the Act and may have pushed aside critical estate planning action items for QRP participants and IRA owners.  Although forthcoming Treasury Regulations relating to the Act are expected to clarify several issues raised by commenters, there are still steps QRP participants and IRA owners must take today when considering the potential impact of the Act on their estate plans.

QRP participants and IRA owners should:

- Review ALL existing primary and contingent beneficiary designations for QRPs and IRAs.
- Review ANY trust (or subtrust) named as primary or contingent beneficiary, including:
  - any trust for minor children intended to take effect after the death(s) of one or both parents;
  - any trust for a spouse (e.g., a QTIP marital trust);
  - any trust for non-disabled adult children and/or grandchildren; and
  - any special or supplemental needs trust for a physically or mentally impaired beneficiary.

Any trust with retirement plan / IRA provisions, including "conduit trust" or "accumulation trust" provisions (*look for reference to Internal Revenue Code Section 401(a)(9)), and signed before 2020, must be reviewed in the wake of the Act.  Furthermore, any special or supplemental needs trust must be reviewed in light of the Act's definitions of (i) "disabled" and "chronically ill" individuals, and (ii) "applicable multi-beneficiary trust."

The application of outdated trust provisions after the death of a QRP participant or IRA owner could result in adverse income tax and/or creditor protection consequences for the beneficiaries.  Taking action now to review and possibly update an estate plan will SECURE what now may be insecure (and later expensive) if left unattended.

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