



## SECURE ACT

As you may have heard, there is a new piece of legislation, known as the SECURE Act, that became effective on January 1, 2020. This new act will impact some individuals now and others later. It is important that you are educated on the new act and know whether or not there is action for you to take. Learning and reacting to the new rules could save you and your family thousands of dollars.

### KEY TAKEAWAYS OF THE SECURE ACT:

- 1. The group most immediately affected are those born before July 1, 1949.**
- 2. The age you are required (RMD) to take a distribution from retirement accounts has moved from 70½ to 72. In other words, those born July 1, 1949, or later.**
- 3. The Qualified Charitable Distribution (QCD) commonly referred to as a Charitable Rollover is still available for use at age 70½ under the same rules.**
  - A. QCD refers to and describes an IRA charitable rollover. All gifts must be transferred directly from the IRA to the OSU Foundation. Distributions from employer-sponsored retirement plans, including SIMPLE IRAs, 401(k) plans and employee pension plans are not eligible. These gifts can be used to support your favorite college, department or program, but cannot be used to support donor-advised funds or establish a charitable remainder trust or charitable gift annuity.**
  - B. Your IRA gifts total up to \$100,000 for the year. The gift must roll directly from your IRA.**
- 4. You are now allowed to make contributions to a Traditional IRA after age 70½ (As long as you have "earned income").**
- 5. Inherited IRA's, created after January 1, 2020, are now required to be totally distributed within 10 years of the owner's date of death. A spouse is one of the few exceptions.**

The most important takeaway is that those who turned 70½ on or before December 31, 2019, have until April 1, 2020, to take a RMD. If they fail to do so it will result in a 50% penalty. Those who turned 70½ on or after January 1, 2020, now have until 72 to take a RMD.

If you have any further questions that arise regarding this new legislation and how it may affect you, please feel free to contact the OSU Foundation Gift Planning team at **800.622.4678** or your OSU Foundation development officer.





400 South Monroe | Stillwater, OK 74074 | 800-622-4678 | [OSUgiving.com](http://OSUgiving.com) | [giftplanning@OSUgiving.com](mailto:giftplanning@OSUgiving.com)

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