OFF THE CLOCK

What is the SECURE Act?

The SECURE Act ("Act") was included in a spending bill approved by the Senate on December 19, 2019, and signed into law by the President on the next day. Standing for "Setting Every Community Up for Retirement Enhancement," here are a few things to understand about the Act:

The Act aims to address a pressing issue, which is the lack of sufficient retirement savings among a significant number of Americans. With the decline of traditional pensions, most Americans are now responsible for saving for their own retirement. The Act seeks to redress this problem by incentivizing employers who offer retirement plans to their employees through tax credits and allowing people still working in their 70s to continue contributing to their retirement plan(s). Likewise, distributions from those plans do not have to be taken now until age 72 (rather than age 70.5) allowing retirement savings to be tax-deferred for an additional 1-2 years lasting longer in retirement.

ALL FUNDS FROM AN INHERITED RETIREMENT PLAN MUST BE DISTRIBUTED TO NON-SPOUSE BENEFICIARIES WITHIN 10 YEARS

In an effort to generate tax revenue and offset the cost of the Act, the current rule that allows non-spouse retirement plan beneficiaries to "stretch" required minimum distributions (RMDs) from an inherited account over their own lifetime has been eliminated. This tax generating provision of the Act will accelerate the depletion of inherited retirement plans. Now, all funds from an inherited retirement plan must be distributed to non-spouse beneficiaries within 10 years of the original account owner's death. A few exceptions do exist, including distributions to a beneficiary who is a spouse, minor, disabled or chronically ill person, and those who are less than 10 years younger than the original account owner.

If your estate plan provides for outright distributions to individual non-spouse beneficiaries, those assets will still avoid probate, but your beneficiaries will be required to take distributions from the account within a 10-year period, paying the taxes as distributions are made and ending the account's tax-deferred status after 10 years. For most families, this is sufficient planning.

However, if you are worried about protecting the assets from your beneficiary's creditors, marital

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influence/divorce, poor money management, or public disability benefits, then you may have reason to refrain from naming the beneficiary directly and instead establish a protective trust that will benefit him/her after your death. Retirement Account Trusts and/or a Supplemental Needs Trusts still offer solutions that can afford both the protection for the beneficiary and ensure that the tax-deferred status is maintained for at least 10 years (or longer in some cases when the beneficiary is disabled or chronically ill).

If you own tax-deferred retirement plans, such as IRAs or 401(k)s, that hold a significant amount of assets, the new law may impact you and your beneficiaries. Consulting with your attorney, financial advisor, and tax-preparer is paramount to ensuring that you have considered all possible planning strategies available to you.

Introducing Paisley and London

Keeping with a female theme, we're proud to introduce the newest members of our PWW family, Paisley Laine Sekscinski, born on September 20th to parents Mike and Meagan Sekscinski and London Brynn McCreary born on November 21st to parents Matt and Laura McCreary. We look forward to watching these little ladies grow with the firm!

Bella's Brief

The Office from a Dog's Perspective

If you missed me last quarter, it's because I was licking my wounds. You see I took a stab at expanding my reach with a radio gig, and well, frankly, reviews were mixed. I think it could have been my voice, it was a little Husky. Botta Boom!

You can't keep a good dog down. Resilience. That's the basis of my campaign for living a healthy and positive 2020. Maybe, I'll try standup? Laughter is good for the soul. At the same time, these miracle creams I've been getting aren't touching the smile lines around my mouth. Then again, maybe I'm Putin too much emphasis on the worthiness of the ads and information appearing in my newsfeed. There's something to think about.

xoxo Bella

Time Out — Staff Profile

Karen L. Hurley
Estate Administration Coordinator

On the Clock: Coming from the field of financial planning, investments and banking, Karen enjoys navigating the financial world, and looks forward to applying this expertise as she works with clients in her role as Trust and Estate Administration Coordinator. Karen was born and raised in southern New Jersey, then left the "Garden State" to attend college in Philadelphia at Chestnut Hill College. After a few years living and working in the city, she relocated to Millsboro in 2002 and has lived there ever since. Delaware has become her second home, however she still relates to our many clients that have recently relocated to the area. Karen's work 'home' is our Lewes location, but she can also be found meeting with clients at the firm's other locations, as she walks with them through the process of settling their loved one's affairs.

Off the Clock: Outside of the office, Karen enjoys being active in the community, and spends time volunteering as a member of the Georgetown-Millsboro Rotary, and as a board member of the Indian River Yacht Club. In down time, Karen can be found puttering around the house, either working in the garden, spending time with her husband or playing with their ornery cat Frank. She mixes it up in Spanish also, and teaches courses at Delaware Tech in Spanish Language studies. ¡Qué divertido!

Upcoming Events

30 Jan — Elder Law Workshop
5:30 - 7:00 pm
Berlin First Baptist Church, Berlin, MD

10* Mar — Wor-Wic Community College
6:00 - 7:30 pm
Fulton-Owen Hall, Salisbury, MD
**Also on March 17th, 24th and 31st*

11* Mar — Osher Lifelong Learning Institute – Lewes Campus
9:00 - 10:30 am
Fred Thomas Building, Lewes, DE
**Also on March 18th, 25th and April 1st*

26 Mar — CARES Member Exclusive Off the Clock
2:00 - 3:30 pm
Rehoboth Beach Museum, Rehoboth Beach, DE

Legal Mumbo Jumbo

Legal Language in Layman's Terms

Required Minimum Distribution (RMD)

The smallest amount of money that has to be withdrawn from a person's retirement account each year once the account owner reaches 72 years old. Tax consequences apply if the minimum amount is not taken out each year.

A note from the attorneys…

All three of us are truly humbled to be recognized by our peers as 2019 Top Elder Law Lawyers in Delaware. As women, mothers, wives, and leaders, family values are at the heart of our vision for our firm and team. With that in mind, we are thrilled to announce that Jessica L. Whaley will continue her practice of law with us as a newly barred Maryland attorney.

Michele, Dawn & Leslie

PWW law

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Planning today to protect your family's tomorrow.

OFF THE CLOCK

We would like to thank our featured referrer of the month:

Hammond Wealth Management

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