

## CARES Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act offers IRA owners several benefits designed to enable them to cope with the pandemic. The CARES Act includes two specific provisions to assist IRA and other qualified retirement plan owners.

### First Provision

There is a waiver of required minimum distributions (RMDs) for 2020.

The RMD waiver was created because the amounts to be distributed were calculated in December 2019 when assets were at record high values.

### Second Provision

An IRA owner impacted by COVID-19 may take a distribution up to \$100,000. There is no 10% penalty tax for individuals under age 59½.

The IRA owner then has two choices:

1. They can re-contribute the distribution within three years with no penalty.
2. Or they cannot replace the withdrawn funds and pay the tax due in three equal amounts over years 2020, 2021 and 2022.

### Additional Provisions

A person who is infected with COVID-19 (or whose spouse or dependent is infected) may use the distribution or loan provisions.

A person may use the new IRA benefits if they (or a spouse or dependent) have experienced financial consequences because of COVID-19, which include being quarantined, furloughed or laid off, unable to work, unable to obtain childcare, experiencing reduced work hours or income or having a job offer or start date changed.

As a result of the CARES Act, individuals are not required to take their IRA distribution in 2020. If the IRA owner took their 2020 distribution before the CARES Act and has re-contributed the entire amount before August 31, 2020, there will be no taxable income for 2020. ■

## Words from a Benefactor

*“My dream as a child was to become a teacher. That dream came true. Today I am a former teacher who worked with many underprivileged children. These children had the potential to become wonderful educators, medical workers, scientists if only they would have had the money to go to college.*

*Now that I am nearing the end of my time on this beautiful planet I am leaving a gift to Northeast Community College which I have designated to be used as college scholarships. This will help students fulfill their dreams of getting a college education and work in the field of their choice.*

*I would encourage anyone who is planning ahead to consider giving Northeast Community College a gift. This would help the college grow and benefit individuals not only to have a better life for them-selves but for generations to come - thus making our country a better place in which to live.”*

*Anonymous*

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## *The Founders Society*

### What is the Founders Society?

Northeast has established the Founders Society to celebrate and thank those individuals who share in its mission of dedication to the success of students and the region it serves. The Founders Society is comprised of those individuals who have chosen to include Northeast Community College in their estate plan with a deferred gift for the ultimate benefit of the College.

Planned gifts include bequest in wills or living trusts; life income plans such as gift annuities, charitable trusts, and pooled income funds; and beneficiary designations of retirement plans, brokerage accounts, and life insurance policies.

### Designating Your Gift

Northeast appreciates receiving information from members of the Founders Society regarding the specific purpose of any planned gift. This allows us to review your gift language to ensure that your philanthropic intention for the college, department or program you wish to benefit can be implemented.

### Becoming a Member

If you have provided for Northeast in a planned gift but have not yet informed us, please contact [foundation@northeast.edu](mailto:foundation@northeast.edu) or (402) 844-7240.

### Suggested Bequest Language for Donors

I, (donor's name), give and bequeath to Northeast Community College Foundation, a non-profit 501 C(3) corporation located in Norfolk, Nebraska, USA , the sum of (amount) or \_\_\_\_\_% of my estate to be used for...

I, (donor's name), give and bequeath \_\_\_\_\_ percent of the rest, residue and remainder of my estate to Northeast Community College Foundation...

I, (donor's name), give and bequeath all the rest, residue and remainder of my estate to Northeast Community College Foundation...

*We are very grateful to members of the Founders Society for carrying on a vital tradition of support for our students.*