**CARES Act for Retirees**

 First and foremost, hope this email finds you and your family safe and healthy.

As you probably know, Congress passed the largest stimulus package in American history, the Coronavirus Aid, Relief, and Economic Security Act (CARES). This was done in an effort to combat some of the pandemic’s harmful economic effects. And while many American investors are feeling financially overwhelmed, retirees may be in an even trickier situation. Not only are you caught in this economic crunch, but you’re doubly burdened by the greater health threat this virus may have on older people. Because of that, Congress passed portions of the CARES Act to positively impact the health and wellbeing of retirees, as well as provisions that benefit those still significantly invested in the markets.

Here are the portions of the stimulus bill that will likely have an impact on financial decisions you’ll be facing in the near future:

**Stimulus check.** One of the most talked about benefits of the stimulus package is the $1,200 stimulus payments for individuals who earned $75,000/year or less and $2,400 for married couples filing jointly that earned $150,000/year or less. This also includes seniors who don’t normally owe taxes and those claiming social security benefits, including retirement and disability. If you don’t need the extra money to make ends meet right now, consider tucking this check away in an emergency fund.

**IRS tax deadline extension**. The IRS is extending the federal income tax filing due date of April 15 to July 15, 2020 instead, without penalty or interest. This is an automatic extension that applies to all taxpayers, regardless of the amount owed, including individuals, trusts and estates, and those who pay self-employment tax.

**IRA contribution extension**. Along with the tax filing extension of July 15, 2020, comes an extended deadline for contributing to last year’s IRA. If you get a stimulus check and haven’t yet reached the $6,000 max (or $7,000 if you’re older than 50) for 2019, consider adding it there.

**Required minimum distribution (RMD)** suspended for 2020. Retirees will not be required to withdraw any amount from their retirement accounts, and no penalties will be assessed.

**Nursing home and senior living attention and funding**. Both the Centers for Medicare and Medicaid Services will get additional funding with the intention of providing safer, cleaner facilities to prevent the spread of the coronavirus.

**Enhancements to Medicare and Medicaid services.** There are numerous ways in which this law will assist in getting health services to retirees more quickly, including “telehealth" coverage, 90-day prescription refills and the extension of existing community-based, long-term care programs.

Many of these changes provide extra funding for unavoidable hardships, given the state of the economy and the state of global health. If you have any specific questions on how the coronavirus crisis will impact your retirement, let’s talk. As always, we’re here to help.

George

 Chestnut Investment Advisory