SECURE Act – what you need to know

As part of a larger government spending package, which was signed into law on December 20, 2019, Congress included the Setting Every Community Up for Retirement Enhancement (SECURE) Act.

The key takeaways for the SECURE Act are the following.

• Repeals the maximum age for traditional IRA contributions, which is currently 70½.

• Increases the required minimum distribution (RMD) age for retirement accounts to 72 (up from 70½).

• Offers more options for lifetime income strategies.

• Permits parents to withdraw up to $5,000 from retirement accounts penalty-free within a year of birth or adoption for qualified expenses.

You can make IRA contributions beyond age 70½

As Americans live longer, an increasing number are continuing to work past their traditional retirement age. Under the SECURE Act, you can continue to contribute to your traditional IRA past age 70½ as long as you are still working. That means the rules for traditional IRAs will align more closely with 401(k) plans and Roth IRAs.

Next step: Work with your financial professional to determine your retirement readiness, how long you plan to work, and when you expect to start withdrawing from your retirement savings. This change doesn’t apply for tax year 2019, as it will begin for tax year 2020 contributions. You can make your tax year 2020 contribution up until April 15, 2021.

NEW ACCOUNT ACCESS

This summer you will notice a difference in how you access your account online. Our website will continue to provide you with the same information you’re used to receiving, but with a site that’s easier to use and more secure.

New features include:

• Mobile and tablet friendly

• Intuitive and user-friendly navigation

• Alerts by email every time you make a change to your account

If you already have a login for your account, you do not need to set up a new one. If you do not have a login, set up an online account to take advantage of these new features.

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Unclaimed property

Every state has laws defining when property, including a mutual fund account, is deemed to be abandoned or unclaimed. When this happens, the property is turned over to the state and the account holder needs to work with the state to retrieve their property.

In recent years, many states have added “inactivity” or “absence of customer contact” as a trigger for when a mutual fund account is considered abandoned. All types of accounts are at risk, including retirement accounts such as IRAs. This means that a state can declare an account as abandoned if there hasn’t been any shareholder contact. To keep your account active, please do one of the following:

• Call our toll-free number, 800-225-5478, and ask to review your account.
• Log into your account online at im.natixis.com/us/account-access.
• Notify us promptly of any change in name or address.

For more information regarding understanding unclaimed property and keeping your account active, please go to our resource page on this topic: Visit: im.natixis.com/us/understanding-unclaimed-property

SECURE Act – what you need to know (continued)

Required minimum distributions (RMDs) now begin at age 72

Americans are working longer and will no longer be required to withdraw assets from IRAs and 401(k)s at age 70½. RMDs now begin at age 72 for individuals who turn 70½ in the calendar year 2020. If you turned age 70½ in 2019 and have already begun taking your RMDs, you should generally continue to take your RMDs. The IRS may provide further guidance on this point, so you might want to speak with your tax advisor regarding any 2020 distributions.

Next step: If you are turning 70½ in 2020 and had planned on taking an RMD, you may want to work with your financial professional to reconsider your withdrawal plans.

You can withdraw up to $5,000 per parent penalty-free from your retirement plan upon the birth or adoption of a child

The new law permits an individual to take a "qualified birth or adoption distribution" of up to $5,000 from an applicable defined contribution plan, such as a 401(k) or an IRA. The 10% early withdrawal penalty will not apply to these withdrawals, and you can repay them as a rollover contribution to an applicable eligible defined contribution plan or IRA.

Next step: Consider taking advantage of this provision if you do not have ample personal savings to fully fund the birth or adoption of a child. Please note there are tax considerations in taking a distribution from your retirement plan; speak with your financial professional or a tax advisor to make sure it makes sense for you.

Work with your financial professional to help clarify your personal and financial goals for both your retirement plan and your estate plan. Changes in the tax code, family relationships, and your own financial circumstances are common — requiring that you update your planning strategies every few years. Remember, your plans should evolve as you do.

For more information, contact your Investment Professional or Visit: im.natixis.com

Before investing, consider the fund’s investment objectives, risks, charges, and expenses. Visit im.natixis.com or call 800-225-5478 for a prospectus or a summary prospectus containing this and other information. Read it carefully.

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