

# HOW THE CARES ACT IMPACTS YOU?



**Presented by:**

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**James J. Holtzman, CFP®, is a Wealth Advisor and Shareholder with Legend Financial Advisors, Inc.® and Emerging Wealth Investment Management, Inc.®**

**With over 20 years of experience, Jim assists all types of clients with their financial planning and investment needs. Jim's extensive skill set includes providing financial advice to retirement-focused clients, medical and dental practices, and businesses.**

**Jim serves as the firm's Income Tax and Education Funding and Planning Specialist.**

**Jim's previous professional experience includes employment with various CPA and Financial Advisory organizations where he provided tax, accounting, auditing and financial consulting services to individuals and businesses. Jim has also provided financial advice to various Fortune 500 and public company executives.**

**Jim's areas of concentration include income tax planning, estate planning, stock option exercise planning, insurance, retirement planning and Section 529 Plans.**

# CARES ACT

1. **Coronavirus Aid, Relief, And Economic Security Act.**
2. **Passed The Senate: March 25, 2020**
3. **Passed House Of Representatives: March 27, 2020**
4. **Signed By President Trump: March 27, 2020**
5. **Over 900 Pages**



# CARES ACT

## 1. \$2 Trillion

1. \$560B: Individual Rebate Checks
2. \$500B: Big Corporations
3. \$377B: Small Business
4. \$340B: Support For State And Local Governments
5. \$154B: Support For Hospitals And The Health Care System
6. \$43B: Education/Other
7. \$26B: Safety Net

# REBATES

# REBATES TO TAXPAYER

1. **Individuals: \$1,200.00**
2. **Married Couples: \$2,400.00**
3. **Child: \$500.00**



# **REBATES TO TAXPAYER – ADJUSTED GROSS INCOME (AGI) PHASEOUTS**

- 1. Individuals: Starts At \$75,000.00**
- 2. Married Couples: Starts At \$150,000.00**
- 3. Above Starting Point, Payments Are Reduced By \$50.00 For Every \$1,000.00 In AGI**



# REBATES TO TAXPAYER – TAX RETURN INFORMATION

1. Based On 2018 Or 2019 Tax Return
  2. Trued Up With 2020 Tax Return
  3. Applies To Taxpayers Who Deserve Rebate Based On 2020 Adjusted Gross Income (AGI)
  4. If 2018 / 2019 Tax Return Showed Too Much AGI, Taxpayer Will Have To Wait Until 2020 Tax Return Is Filed.
  5. Taxpayer Could Receive Rebate Based On 2018 / 2019 While Their 2020 AGI Will Be Too High To Receive Rebate.
1. No Clawback.

1040 U.S. Individual Income Tax Return  
Department of the Treasury - Internal Revenue Service  
For the year 2017, 2016, or other tax year beginning  
Your first name and initial  
If a joint return, spouse's first name and initial  
Home address (number and street), if in  
City, town or post office, state  
Foreign country  
Other Taxes  
Foreign country  
CORRECTED (if checked)  
Applicable check box on Form 8949  
2017  
OMB No. 1545-0715  
Form 1099-B  
Proceeds From  
Broker and  
Barter Exchange  
Transactions  
1a Description of property (Example 100 sh. XYZ Co.)  
1c Date sold or disposed  
Copy



# **REBATES TO TAXPAYER – OTHER FACTS**

- 1. Must Have Work-Eligible Social Security Number**
- 2. Cannot Be Claimed As A Dependent**
- 3. Reportable Income Not Required In 2019**
- 4. Births, Marriages, Divorces And Deaths Impact  
Timing Of Rebate**

# REBATES TO TAXPAYER – TIMING

1. **Direct Deposit Should Be Received By Now**
2. **Mailed Payments – Not All Have Received**
3. **Rebate Will Be Received Where Social Security Benefits Are Sent**
4. **IRS Will Have Phone Number To Report Problems. I.E. If Bank Account, No Longer Exists.**
5. **Website To Check Payment Status:**  
<https://www.irs.gov/coronavirus/economic-impact-payments>
  1. **Social Security Number**
  2. **Date Of Birth**
  3. **Street Address and Zip Code**

# **RETIREMENT DISTRIBUTIONS**

# CORONAVIRUS-RELATED DISTRIBUTIONS

1. Distributions Up To \$100,000.00
2. IRAs, Employer-Sponsored Retirement Plans
3. Elimination Of The 10% Early Withdrawal Penalty
4. Option To Spread Income Over Three Years
5. Repay Over Three Years Starting On The Day The Distribution Is Received
  - A. Amended Tax Returns
6. Not Subject To Mandatory Federal Income Tax Withholding Of At Least 20%



# **CORONAVIRUS-RELATED DISTRIBUTIONS - QUALIFICATIONS**

- 1. Diagnosed With COVID-19**
- 2. Spouse Or Dependent Diagnosed With COVID-19**
- 3. Adverse Financial Consequences As A Result Of Being Quarantined, Furloughed, Laid Off, Or Having Work Hours Reduced Because Of The Disease**
- 4. Unable To Work Due To Lack Of Childcare**
- 5. Own A Business That Has Closed Or Operate Under Reduced Hours Due To The Disease**
- 6. Other: Need IRS Approval**

# RETIREMENT LOANS

# **LOANS – EMPLOYER-SPONSORED RETIREMENT PLANS**

- 1. Maximum Loan Amount: Increased To  
\$100,000.00 From \$50,000.00.**
- 2. 100% Of Vested Balance May Be Used**
  - 1. (Usually 50% Of Vested Balance Over \$20,000.00 Up To  
\$50,000.00.**
- 3. Delay Of Repayments: Up To One Year.**

**REQUIRED MINIMUM  
DISTRIBUTION  
SUSPENSION**



# **REQUIRED MINIMUM DISTRIBUTIONS (RMD) - SUSPENDED**

- 1. Applies To Age 70 ½ And Age 72 Distributions**
- 2. Applies To Inherited IRAs**
- 3. Applies For Those Who Turned Age 70 ½ In 2019 But Did Not Take Their First RMD In 2019**
- 4. Distributions Are Still Allowed**
- 5. Qualified Charitable Distributions Are Still Allowed For Those Age 70 ½ Or Older**



# **REUQIRED MINIMUM DISTRIBUTIONS – RETURN DISTRIBUTIONS**

## **Approach #1**

- 1. RMD Has Taken Place During Last 60 Days**
- 2. Once-Per Year (365-Day) Rollover Rule**

# **REQUIRED MINIMUM DISTRIBUTIONS – RETURN DISTRIBUTIONS**

## **Approach #2**

- 1. Follow The Coronavirus-Related Distributions If  
Qualified**
- 2. Repay Within Three Years**

# **REQUIRED MINIMUM DISTRIBUTIONS – RETURN DISTRIBUTIONS**

## **Approach #3**

- 1. On April 9, 2020, The IRS Issued A Notice**
- 2. Any Distribution Taken Between February 1, 2020 and May 15, 2020 Can Be Rolled Over By July 15, 2020**

# **REQUIRED MINIMUM DISTRIBUTIONS – RETURN DISTRIBUTIONS**

- 1. No Relief For Inherited IRA Beneficiary Who  
Already Took Distribution**
- 2. Never Eligible For 60-Day Rollover Rule.**

# **UNEMPLOYMENT COMPENSATION**

# **UNEMPLOYMENT BENEFITS**

- 1. \$600.00 Increase Per Week Up To Four Months**
- 2. Self-Employed Individuals And Independent Contractors Can Qualify: 39 Weeks**
- 3. Federal Government Pays The First Week.**
- 4. Unemployment Compensation Has Been Extended By 13 Weeks.**
- 5. Unemployment Must Have Begun After January 27, 2020**

# **STUDENT LOANS / GRANTS**



# STUDENT LOAN PAYMENTS

1. **Deferral Of Federal Student Loan Payments Through September 30, 2020**
2. **No Interest Will Accrue**
3. **Voluntary Payments Can Continue**
4. **Suspended Period Will Count Toward Loan Forgiveness Programs**
5. **Involuntary Debt Collections - Suspended Through September 30, 2020**



# **EMPLOYER MAKING STUDENT LOAN PAYMENTS**

- 1. Employers Can Pay Employees Student Loans**
- 2. \$5,250.00 Income Tax Free**
- 3. Available Through December 31, 2020.**

# **PELL GRANT AND SUBSIDIZED FEDERAL STUDENT LOAN**

- 1. Excludes Period Of Enrollment Any Semester That The Student Cannot Complete Due To Qualifying Emergency**
- 2. If Student Withdraws During Middle Of Semester Because Of Qualifying Emergency:**
  - 1. Pell Grant Does Not Have To Be Returned**
  - 2. Subsidized Federal Student Loans Are Forgiven.**

# **MEDICAL PROVISIONS**

# **OVER-THE-COUNTER MEDICAL EXPENSES**

## **1. Over-the-counter Medical Expenses Are Now Qualified Medical Expenses For:**

- 1. Health Savings Accounts**
- 2. Archer Medical Savings Accounts**
- 3. Flexible Spending Accounts**

# **CHARITABLE CONTRIBUTIONS**

# **NEW CHARITABLE DEDUCTION**

- 1. Above-the-line Deduction (Before Adjusted Gross Income)**
- 2. \$300.00 Deduction**
- 3. Starts In 2020**
- 4. Cannot Itemize**
- 5. No Ending Year**

# **CHARITABLE DEDUCTION – AGI LIMIT REPEALED**

- 1. AGI Limit On Cash Contribution Increased 100%  
Of AGI From 60% Of AGI**



# **BUSINESS PROVISIONS**

# **VARIOUS BUSINESS PROVISIONS**

- 1. Paycheck Protection Program – Forgivable Loans**
- 2. Emergency Grant Program: \$10,000.00**
- 3. Employee Retention Credit For Employers Subject To Closure Due To COVID-19**
- 4. Deferral Of Payment Of Payroll Taxes**
- 5. Net Operating Loss Changes: Carried Back Five Years**

# **FINANCIAL PLANS FOR ALL ASPECTS OF LIFE**

- Goal Projections
- Retirement Projections
- Tax Planning
- Investment Analysis
- Education Planning
- Eldercare Planning
- Estate Planning
- Risk Analysis

# QUESTIONS AND ANSWERS

The image features the text 'Q&A' in a 3D, blocky font. The letters 'Q' and 'A' are a vibrant red, while the ampersand '&' is a metallic grey. The characters are positioned on a white surface, casting soft, light grey shadows beneath them, which gives them a three-dimensional appearance. The overall style is clean and modern.



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