THE SECURE ACT DRAMATIC CHANGES IN RETIREMENT PLAN RULES (and other tax provisions of PL 116-94)

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January 28, 2020

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PART ONE

THE SECURE ACT –

RETIREMENT PLAN PROVISIONS

(the *Setting Every Community Up for Retirement Enhancement Act* is part of *PL 116-94, the Further Consolidated Appropriations Act of 2020*)

DEADLINE FOR PLAN CREATION

SECURE permits a qualified retirement plan to be created up to the extended due date of tax return effective 2020 tax years.

- Only a Simplified Employee Pension Plan (SEP) could be created by a business after year-end before 2020.
- Plans with a mandatory contribution must be funded by the 15th day of the 9th month of the year, which will be a month before the extended due date in the case of a C corporation.
- Other earlier deadlines such as for 401(k) elective deferrals are not overridden by the new law.

CREDIT FOR PLAN CREATION

SECURE increases the employer credit effective 2020 tax years for small and midsize businesses starting a qualified retirement plan, SEP or SIMPLE IRA to the lesser of $250 multiplied by the number of eligible non-highly compensated employees or $5000 (with a minimum $500 credit).

- Eligibility requires no more than 100 employees with at least $5,000 in preceding year compensation, at least two non-highly compensated employees and no other plan in last three years (unless employees are not substantially the same).
- Prior credit was 50% of first $1,000 of costs.

CREDIT FOR AUTOMATIC PLAN ENROLLMENT

SECURE gives a credit of $500 per year effective 2020 tax years for up to three years to small and midsize businesses which create a 401(k) plan or SIMPLE IRA with automatic enrollment or which convert an existing plan to automatic enrollment.

- Automatic enrollment provides for elective deferrals at a default rate in the absence of employee action at up to 15%.
- Only businesses of not more than 100 employees with at least $5,000 in preceding year compensation are eligible.

CLOSED AND FROZEN DEFINED BENEFIT PLANS

SECURE ends nondiscrimination testing of closed or frozen defined benefit plans retroactive to 2014 plan years after two plan years following termination if there has been no substantial increase in coverage or value of any benefit, right or feature in the preceding five years and there is no post-termination amendment favoring highly compensated employees.

- Closed plans allow no new entrants but allow existing employees to receive a benefit (“soft freeze”).
- Frozen plans allow no new benefit accruals (“hard freeze”).

401(K) SAFE HARBOR

SECURE maintains the general rule that a 401(k) plan has until 30 days before the end of a plan year to amend in order to adopt a "safe harbor," typically a 3% contribution for all eligible employees. However, effective 2020 plan years, SECURE allows an amendment through the end of the succeeding year to adopt a 4% safe harbor.

- SECURE also eliminates the annual safe harbor notice requirements to participants that was required by December 1 (in the case of calendar year plans).

PART-TIME EMPLOYEES

SECURE requires a 401(k) plan effective 2021 plan years to allow employees to make elective deferrals following the first entry date in which an employee age 21 or over has worked at least 500 hours in three consecutive years.

- Eligibility to participate in employer matches and additional employer contributions would be unaffected so part-time employees under 1,000 hours may not enjoy any employer-paid benefit.

PLAN LOANS BY CREDIT CARDS

SECURE treats plan loans accessed by credit cards as deemed distributions effective December 21, 2019.

- Most larger employers have made borrowing almost as simple as using a credit card but apply the statutory limitations.

PENALTY-FREE WITHDRAWALS ON BIRTH OR ADOPTION

SECURE allows penalty-free withdrawals effective 2020 from employer plans or IRAs of up to $5000 **per parent** for one year following the birth or adoption of a child.

- The provision is not applicable for adoptions by stepparents or of those over 18 unless physically or mentally unable to care for oneself.
- Recontribution is available to the plan from which there was a withdrawal (if still a participant) or to an IRA.

GUARANTEED LIFETIME INCOME INVESTMENTS

SECURE allows the direct transfer within 90 days to another employer retirement plan or to an IRA effective 2020 plan years when a defined contribution plan, 403(b) plan or governmental plan no longer allows a particular guaranteed lifetime income investment to be held as an investment option.

- The provision allows avoidance of in-service distribution requirements which might otherwise apply.

RBD CHANGED TO AGE 72

For those who have not turned 70½ by December 31, 2019, SECURE raises the Required Beginning Date (RBD) for mandatory distributions from the year of turning age 70½ to the year of turning age 72.

- The grace period of up to April 1 of the following year for the initial distribution will continue to apply.

- The RBD does not apply to non 5 percent owners who continue to work.

INHERITED RETIREMENT ASSETS

SECURE requires for deaths after 2019 (except for annuity contracts existing on December 20, 2019) that defined contribution plans and IRAs distribute in full within 10 years of the December 31 following death (if not otherwise required sooner) except to eligible designated beneficiaries including spouses, disabled or chronically ill individuals, those with no more than a 10-year age difference and **children** under the age of majority (in the last case 10 years is measured from the date of majority).

THIS PROVISION IS DISCUSSED IN PART TWO

NEW REQUIRED DISCLOSURE

SECURE requires benefit statements by defined contribution plans beginning one year after IRS guidance to include a "lifetime income disclosure" at least once a year, which would set forth the monthly payments that the individual would receive under both a straight life annuity and a joint and survivor annuity.

- Defined benefit plans necessarily include these statements.

CONSOLIDATED 5500s

SECURE allows consolidated Forms 5500 for single employer defined contribution plans if they have the same administrator, plan year, trustees and investment options effective 2021 plan years.

PENALTIES

SECURE increases retirement plan related penalties by tenfold including for failure to file Form 5500 which rises to $250 per day up to a maximum $150,000 effective for 2020 filings.

- IRS has shown an inclination to abate retirement plan penalties. It is unclear whether the usual favorable treatment will follow the increases in penalties.

STIPENDS AND FELLOWSHIPS

SECURE allows taxable stipends and fellowships at the graduate or postdoctoral level to be treated as compensation for purpose of IRA contributions effective 2020.

ELIGIBILITY FOR TRADITIONAL IRA CONTRIBUTIONS

Effective 2020, SECURE removes the prohibition at age 70½ on contributing to a traditional IRA for those otherwise eligible.

- Removal of the age limit for traditional IRAs brings them in sync with employer plans and Roth IRAs.

QUALIFIED CHARITABLE DISTRIBUTIONS (QCDS)

SECURE requires the inclusion in income effective 2020 of IRA payments to a charity to the extent of cumulative deductible IRA contributions made beginning with the year of turning 70½.

- The effect is that the individual would deduct the included amount on Schedule A but would contend with higher AGI.

- QCDs may still commence at age 70½ despite the individual not reaching the Required Beginning Date (RBD) for minimum distributions.

PART TWO

INHERITED RETIREMENT PLANS –

IN DETAIL

CHANGE TO "STRETCH" PROVISIONS

- Likely the biggest change made by the SECURE Act is the general elimination of stretch distributions (or "IRA Legacy") for most non-spouse IRA/plan beneficiaries.
- Under old law, designated beneficiaries could withdraw inherited IRAs/plans over their remaining life expectancies.
- Now, with certain exceptions, inherited IRAs/plans must be withdrawn within 10 years following the owner's death.

CONTEXT OF STRETCH AMENDMENT

- What is behind this change in law?
  - The practical: according to the Congressional Research Service, this amendment will raise $15.7 billion in revenue from FY 2019 through FY 2029
  - The conceptual: the change also fits with prior Supreme Court precedent ruling that IRAs are no longer retirement plans for beneficiaries other than spouses
    - *Clark vs. Rameker* – 573 US 122 (2014) – assets in IRA inherited by a non-spouse beneficiary are subject to creditor claims in bankruptcy, although IRAs owned by the participant or inherited by spouse are not

TWO BROAD CLASSES OF BENEFICIARIES UNDER "OLD" LAW

- Old law – there were two broad classes of beneficiaries: (1) designated beneficiaries who could stretch RMDs over life and (2) non-designated beneficiaries who had to withdraw the entire IRA/plan within five years.
- Trusts could be designated beneficiaries if certain conditions were met.

PRIMARILY TWO TYPES OF TRUSTS QUALIFY AS DESIGNATED BENEFICIARIES

- Typically, the Trusts had to be (1) Conduit or (2) Certain Accumulation "See-Through" Trusts to qualify for the long-term payout under the old law.
  - Conduit: requires all distributions from the IRA/plan to the Trust to be paid out to the beneficiary annually
  - Accumulation: gives Trustee discretion to retain distributions inside the Trust as opposed to paying them all out annually
  - In certain situations, Conduit and Accumulation Trusts still qualify for the stretch payout under the new law.

THREE BROAD CLASSES OF BENEFICIARIES UNDER THE NEW LAW

- New law has three broad classes of beneficiaries
  - Non-designated beneficiaries
    - Still need to withdraw within 5 years
    - Estates and charities are non-designated beneficiaries
  - Designated beneficiaries
    - Need to withdraw within the 10 year period beginning in the year following the year of the owner's death
    - No requirement to distribute 1/10 of the IRA/plan each year; can wait until the very end of the 10th year to distribute entire IRA/plan
    - Practically speaking, for IRA/plan owners who die early in the year, the payout period is nearly 11 years
  - Eligible designated beneficiaries
    - Stretch payout permitted

CHANGE TO “STRETCH” PROVISIONS

- Before delving into possible solutions to the challenges created by the general elimination of stretch distributions, we first need to review which beneficiaries are exceptions to the general rule and may still stretch RMDs over their remaining life expectancy as well as ways to plan for some of these beneficiaries.

ELIGIBLE DESIGNATED BENEFICIARIES

- The stretch rules still apply to the following eligible designated beneficiaries
  - Surviving spouse
  - Minor children of participant
  - Disabled/chronically ill beneficiary
  - Beneficiaries who are not more than 10 years younger than the decedent (such as a slightly younger sibling)

ELIGIBLE DESIGNATED BENEFICIARIES

- Surviving spouse
  - May still roll benefits into IRA in own name or establish a roll-over IRA and withdraw RMDs over remaining life expectancy
  - Conduit Trusts
    - If a Conduit Trust (including a QTIP Trust that pays to the surviving spouse the greater of the annual RMD or annual net income earned by the Trust) is named as beneficiary, RMDs are withdrawn over the surviving spouse's remaining life expectancy
    - Spouse must be sole lifetime beneficiary
  - Planning tip - if concerned that surviving spouse may rollover IRA and designate new beneficiaries but still want to provide for surviving spouse through the IRA/plan, consider naming a Conduit Trust (including a QTIP Trust with certain provisions) for the surviving spouse as primary beneficiary

ELIGIBLE DESIGNATED BENEFICIARIES

- Minor children
  - Bear in mind that "minor children" does NOT include minor grandchildren
  - The stretch provision lasts until the child attains the age of majority, at which point he/she becomes subject to the 10-year rule
  - Presumably, a child reaches majority when he/she turns the age of majority in applicable state

ELIGIBLE DESIGNATED BENEFICIARIES

- Minor children and age of majority
  - Note, the statute cross-references another statute that also includes the following definitions of minor children (unclear if they apply in the SECURE context):
    - child may be treated as having not reached the age of majority if the child has not completed a specified course of education and is under the age of 26
    - In addition, a child who is disabled when the child reaches the age of majority may be treated as having not reached the age of majority so long as the child continues to be disabled

ELIGIBLE DESIGNATED BENEFICIARIES

- The Beneficiary's status as disabled or chronically ill is determined as of the date of the IRA/plan participant's death

ELIGIBLE DESIGNATED BENEFICIARIES

- Disabled beneficiary defined as
  - "an individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. An individual shall not be considered to be disabled unless he furnishes proof of the existence thereof in such form and manner as the Secretary may require."
  - Practically speaking, entitlement to Social Security disability benefits means the individual is disabled

ELIGIBLE DESIGNATED BENEFICIARIES

- Chronically ill beneficiary defined as
  - A chronically ill individual is one that (i) is unable to perform (without substantial assistance from another individual) at least two activities of daily living for a period of at least 90 days due to a loss of functional capacity; or (ii) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment.

ELIGIBLE DESIGNATED BENEFICIARIES

- Disabled and chronically ill individual continued
  - Special breaks given to trusts that benefit disabled or chronically ill individuals
    - If the trust requires division into subtrusts upon the death of an employee and the trust (not the separate subtrusts) is named as the beneficiary of an IRA/plan, then the payout period will be determined separately for the disabled/chronically ill individual's subtrust, allowing a lifetime stretch
      - This contrasts with the default rule that determines the payout period based on the age of all trust beneficiaries, which would typically require at best a 10-year payout
    - Relatedly, a supplemental needs trust established for the benefit of a disabled or chronically ill individual with "see-through" provisions will qualify for the stretch payout
      - unclear whose life expectancy is used (the disabled/chronically ill individual or the oldest trust beneficiary – for example, an older remainder beneficiary)

ELIGIBLE DESIGNATED BENEFICIARIES

- Planning tip – may continue to name trusts for the benefit of disabled/chronically ill individuals, including supplemental needs trusts, as beneficiaries of IRA/plans and enjoy stretch payouts

ELIGIBLE DESIGNATED BENEFICIARIES

- Beneficiaries who are not more than 10 years younger than the decedent (such as a slightly younger sibling)
  - For example – consider an unmarried decedent who dies at 75 leaving no children, and who leaves his IRA to his two siblings, both of whom are over 65. Each sibling will be able to stretch RMDs over his/her remaining life expectancy.

CHANGE TO "STRETCH" PROVISIONS

- The general elimination of stretch distributions poses two main challenges
  - 1st – What can be done to avoid the large accelerated tax bill/adverse tax consequences?
  - 2nd – What can be done to prevent financially immature beneficiaries from inheriting an entire IRA/plan, often a decedent's largest asset, within 10 years of the owner's passing even if passing to a Generation-Skipping Transfer (GST) Trust?

PRESERVING THE STRETCH WHILE THERE IS STILL TIME

- Most of the planning strategies that we will discuss may be used, absent changes in the law, at any point in the future
- The following strategy, by contrast, only works for a limited time for Decedents who passed away on or before December 31, 2019

QUALIFIED DISCLAIMER

- The elimination of the “stretch” provisions applies to decedents dying after December 31, 2019
- Provided that the surviving spouse or other primary beneficiary does not need the funds, consider advising that the primary beneficiary disclaim the IRA/plan to allow the contingent beneficiaries to stretch out payments over their lifetimes

QUALIFIED DISCLAIMER

- Disclaimer deadlines
  - IRC § 2518 – disclaim within 9 months of the IRA/plan owner's death if the spouse is primary beneficiary and estate tax is a concern
  - State law – even if estate tax is not a concern, check state law disclaimer deadline if asset protection is a concern

TAX REDUCTION STRATEGIES

- Consider a Roth IRA conversion to reduce the overall taxes due (considering the taxes paid by the owner and beneficiaries) on the IRA
- This strategy could make sense if the IRA owner's tax bracket is lower than the beneficiary's bracket is expected to be following the owner's death
- It is risky in that, as we know, tax laws change all of the time and there is no guarantee what the tax rates and brackets will be years from now
- Remember, the beneficiary can wait until the end of the 10^{th} year following the Roth IRA owner's death before withdrawing the Roth IRA income tax free

ROTH CONVERSION

- Basics on Roth IRAs
  - 2019 and 2020 contribution limits: $6,000 generally and $7,000 if you are age 50 or older
  - Contribution limits are phased out depending on your income level
  - Generally, owners may only withdraw from Roth IRA penalty-free if they own it for at least five years and they are over 59.5 years old
  - RMDs are not required while the owner or spouse is alive

ROTH CONVERSION

- Roth IRA contribution limits for 2020
  - Full contribution:
    - If filing married/jointly and MAGI is less than $196,000; if filing single & head of household and MAGI is less than $124,000
  - Partial contribution
    - If filing married/jointly and MAGI is greater than $196,000 but less than $206,000; if filing single & head of household and MAGI is more than $124,000 but less than $139,000
    - Allowable contribution varies depending on income
  - No Contribution
    - If filing married/jointly and MAGI is more than $206,000; if filing single & head of household and MAGI is more than $139,000

ROTH CONVERSION

- No income limits on converting from traditional IRA to Roth
- Pay income taxes on the amount converted to a Roth
- Beware of timing
  - 5 year waiting period on withdrawing from the Roth penalty-free after conversion, otherwise owe 10% penalty
  - If the client's remaining life expectancy is less than 5 years and the client needs to access the Roth funds, this may not be a good option
- Beware of cost
  - Does the client have the funds to pay the income taxes due on conversion?
  - Make sure the client pays from assets other than those converted

CONTROLLING INHERITANCE

- Consider the following strategy, discussed previously, to prevent a financially immature beneficiary from coming into too much money too quickly
- This often comes up in the context of a GST Trust and how to preserve asset protection in the case of the child’s marital split-up

ACCUMULATION TRUSTS

- Name a Trust for each child under the Will or Revocable Trust as the beneficiary of the IRA/plan and include Accumulation Trust provisions in the Trust
- The Accumulation Trust provisions gives the Trustee discretion to accumulate or retain IRA/plan withdrawals made to the Trust instead of requiring immediate distribution of such withdrawals to the beneficiary
- Bear in mind that this approach, if anything, could increase the overall income tax bill on IRA/plan withdrawals because Trusts are subject to compressed tax brackets
- But, it does ensure that a financially immature beneficiary does not control his/her inherited IRA/plan or receive all of the funds within 10 years and it preserves non-marital property treatment in the case of a child's marital split-up

ACCUMULATION TRUSTS VS. CONDUIT TRUSTS

- As a reminder, just because a Trust is named as beneficiary of an IRA/plan does NOT mean that the Trustee has discretion to retain/accumulate RMDs
- Be sure to speak with clients whose trusts qualify as designated beneficiaries through Conduit Trust provisions
- The Conduit Trust provisions allows the Trust to qualify as a designated beneficiary and requires that IRA/plan withdrawals are distributed outright to the Trust beneficiary in the year of withdrawal. Consider switching to Accumulation Trust.
- Many clients now are reviewing their GST Trusts to change to the accumulation method

HYBRID STRATEGIES

- The following strategies both potentially reduce taxes AND prevent beneficiaries from inheriting large sums of IRAs/plans too quickly
- The tax reduction component is a function of reducing the amount of IRA/plan proceeds distributed to the beneficiary annually, which helps prevent pushing the beneficiary into a higher tax bracket

LEAVING IRA TO MULTIPLE BENEFICIARIES

- Scenario: the client is concerned with the beneficiaries of the IRA/retirement plan receiving too much money too quickly, and the client's estate plan has multiple remainder beneficiaries – for example, children and smaller bequests to siblings or friends
- Consider adding several beneficiaries (not just children) in separate accounts for any IRA or retirement plan distribution to reduce the payment made to each after 10 years and reduce any bequest to non-children beneficiaries from other sources

CHARITABLE REMAINDER TRUST

- Applicable if client has charitable goals
- On death, the CRT will inherit the IRA
- CRTs are not subject to income tax
- CRT would make a fixed payment (CRAT), or pay a percentage of the trust assets (CRUT), at least annually, to the non-charitable beneficiaries of the CRT, who would be the client's individual beneficiaries under his/her estate plan
- Tax would only be due on distributions from the CRT to the beneficiaries, not on withdrawals of the IRA/retirement plan to the CRT
- The payments to non-charitable beneficiaries can last for a term not to exceed 20 years

CHARITABLE REMAINDER TRUST

- At the end of the payment term, the remaining trust assets will pass to the charity or charities designated in the trust agreement
- With all CRTs, one can choose the desired payout percentage subject to the following rules:
  - The payout percentage cannot exceed 50%;
  - The payout percentage cannot be less than 5%; and
  - The payout percentage cannot result in there being less than 10% (based on a present value calculation) of the trust property remaining for charity at the end of the payment term
- The annual payments from the CRT to the beneficiaries substitute as a stretch payout
- The trade-off is that at least 10% of the CRT must pass to charity

MANY POINTS UNCLEAR

- This is a very new law and many provisions are open to interpretation
- Treasury has not yet announced a rule-making project on this new law, although it will almost certainly issue regulations
- The next couple of slides will discuss just a couple of points that need to be clarified

MANY POINTS UNCLEAR

- Under old law, if a designated beneficiary inherits IRA/plan, begins receiving RMDs over life expectancy, and then dies, the beneficiary named by the designated beneficiary would continue withdrawing RMDs over the original designated beneficiary's life expectancy
  - BUT, under the new law, if the IRA/plan owner died prior to 2020, and the designated beneficiary died after 2020, the "second" beneficiary would have to withdraw the IRA/plan within 10 years
- What if the plan owner AND designated beneficiary die before 2020, and the "second" beneficiary dies after 2020? Life expectancy or 10 years? The statute is not clear, although the intent is likely 10 years

MANY POINTS UNCLEAR

- If IRA/plan owner died prior to 2020, and RMDs paid to accumulation trust over life expectancy of oldest trust beneficiary, who was NOT the primary beneficiary, on whose post-2020 death does the 10 year rule kick in? The primary beneficiary's death or the oldest beneficiary's death? The statute is not clear
- Ambiguities regarding age of majority

FINAL NOTES

- Note that in November 2019, the IRS proposed new life expectancy tables that would become effective in 2021
  - Changes impact required minimum distributions under all tables
    - Uniform Lifetime Tables
      - Used to calculate RMDs during owner's lifetime
      - The life expectancy under this table is generally the life expectancy under the Single Life Expectancy Table plus 10 years
    - Joint Life and Last Survivor Expectancy Table
      - Used by account owners who have named a spousal beneficiary more than 10 years younger
    - Single Life Expectancy Table
      - Used by beneficiaries of inherited accounts to calculate stretch distributions (will largely be irrelevant going forward)
- The changes reduce RMDs but only slightly

FINAL NOTES

Example of Uniform Lifetime Table Change		
Age	Current Life Expectancy	New Life Expectancy
72	25.6	27.3
73	24.7	26.4
74	23.8	25.5
75	22.9	24.6
76	22.0	23.7
77	21.2	22.8
78	20.3	21.9
79	19.5	21.0
80	18.7	20.2
81	17.9	19.3
82	17.1	18.4

FINAL NOTES

Example of Single Life Table Change		
Age	Current Life Expectancy	New Life Expectancy
30	53.3	55.3
31	52.4	54.3
32	51.4	53.4
33	50.4	52.4
34	49.4	51.4

FINAL NOTES

Example of Single Life Table Change		
Age	Current Life Expectancy	New Life Expectancy
55	29.6	31.5
56	28.7	30.6
57	27.9	29.7
58	27.0	28.8
59	26.1	27.9
60	25.2	27.1

WHAT TO TELL CLIENTS?

- There is no one size fits all approach
- Charities are pushing the Charitable Remainder Trust, others think that Roth Conversions will become much more popular
- Some advisers believe that, given other changes made by the SECURE Act, annuities and life insurance products will become much more prominent
- It is very important to have a discussion with clients with valuable IRAs/plans, even if the beneficiary(ies) is already a trust
- For clients who are concerned with leaving entire IRAs/plans to children outright within 10 years, a big conversation is balancing the control from keeping the IRA/plan withdrawals in an Accumulation Trust vs. the higher income tax bill

PART THREE

OTHER TAX PROVISIONS OF PL 116-94

EXCLUSION FOR VOLUNTEER EMERGENCY RESPONDERS

- SECURE creates an exclusion from income effective 2020 of up to $50 for each month of service for reductions or rebates in income taxes or property taxes given to volunteer emergency responders.

529 PLANS

SECURE expands Section 529 plans effective 2019 to allow utilization of funds for registered apprenticeships and for student loan repayments of principal and interest of up to $10,000 lifetime per beneficiary.

- No deduction is permitted for otherwise allowable interest expense if Section 529 money is used to pay student debt.

“KIDDIE TAX”

SECURE reverts the determination of the “kiddie tax” to pre-TCJA law with taxation of net unearned income generally at parents’ rate and eliminates the reduced AMT exemption for affected children effective 2020.

- The pre-2018 and post-2019 law may optionally be applied for 2018 and 2019 returns including on an amended return.

FAILURE TO FILE PENALTY

SECURE increases the minimum failure to file penalty to the lesser of $400 or 100% of the tax due for returns with an extended due date after 2019.

INDIVIDUAL EXTENDERS

PL 116-94 extends through 2020:

- The exclusion of up to $2 million on discharge of acquisition indebtedness on a principal residence.
- The limited above-the-line deduction for higher education expenses of lower and middle income individuals.

INDIVIDUAL EXTENDERS (CTD)

- The 7½ percent floor on the medical expense itemized deduction.
- The deduction as interest of qualified mortgage insurance premiums (PMI) for lower and middle income individuals.
- The 10% up to a $500 lifetime cap on qualified energy improvements to principal residences.

BUSINESS EXTENDERS

PL 116-94 extends through 2020:

- The tax benefits for businesses operating in “empowerment zones”.
- The employer credit for paid family and medical leave of up to 12 weeks per year.
- The work opportunity credit.

REPEAL OF ACA PROVISIONS

PL 116-94 repeals the "Cadillac Tax" on high cost employer-sponsored health benefits scheduled to take effect in 2022 and the medical device tax scheduled to take effect in 2020.

THE END

THANK YOU!

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