

## The Politics of Estate Tax

**Under the current tax law, the estate tax exemption amount is \$11,580,000 per person (\$23,160,000 per married couple).**

This tax law is currently scheduled to sunset on December 31, 2025, when the exemption amount reverts to \$5,000,000 per person (\$10,000,000 per married couple), adjusted for inflation. Depending upon the outcome of the Presidential election, this tax law and the timing of the sunset could change. If you have any questions about the federal estate tax or your estate planning, please contact us.

## Secure Act

**The Setting Every Community Up for Retirement Enhancement (SECURE) Act introduces a number of new rules that impact retirement savings plans.**

Under prior law, designated beneficiaries of an inherited retirement account were generally permitted to take required minimum distributions from the account over the life expectancy of the beneficiary. By allowing the beneficiary to “stretch” withdrawals out over his or her lifetime, the beneficiary could indefinitely continue the benefit of allowing the account to earn investment returns on a tax-deferred basis.

In most cases, the SECURE Act now eliminates the ability to “stretch” these withdrawals from inherited retirement accounts over a beneficiary’s lifetime. Instead, the account must be distributed in full within 10 years after a plan participant’s death. The SECURE Act limits the potential use of the lifetime stretch rules to five classes of beneficiaries: (1) the participant’s surviving spouse; (2) minor children of the participant; (3) disabled beneficiaries; (4) chronically ill individuals; and (5) beneficiaries less than 10 years younger than the plan participant.

Under the SECURE Act, a spouse named as a beneficiary still may: (1) stretch the required distributions over the spouse’s lifetime; and (2) roll over inherited benefits into the spouse’s own IRA.

With some limited exceptions, the majority of designations naming children as beneficiaries of retirement accounts will now result in the accelerated 10-year payout of benefits. Where minor children or trusts for minor children of the plan participant are named as beneficiaries, the 10-year payout clock will begin to run when the minor child reaches the age of maturity.

Anyone with a retirement account is encouraged to review current beneficiary designations and estate planning documents, particularly plans involving trusts as retirement plan beneficiaries. Thoughtful estate planning strategies implemented now can help mitigate some of the impact of the SECURE Act. Please contact us if you have questions regarding your estate planning documents and how they work in conjunction with your retirement accounts.

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**Goddard Hawkins** partners with clients on estate planning, and trust and estate administration matters, including related issues in real estate, business and tax law, and charitable planning.

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## FIRM NEWS

**Miranda K. Hawkins** is the President of the Colorado Women's Bar Association (CWBA) for 2020-2021. The CWBA is the largest diversity bar association in Colorado and is one of the biggest and most influential women's bar associations in the country, whose mission is to promote women in the legal profession and the interests of women generally. You can hear Miranda speak about the CWBA and her estate planning practice during a podcast interview with Law Talk Colorado, which can be accessed at [www.goddardhawkins.com](http://www.goddardhawkins.com).

**Susan B. Goddard and Miranda K. Hawkins** were selected by their peers to the list of 2020 Colorado Super Lawyers. Miranda also received the Five Star Investment Professional Award for 2020, which recognizes service professionals in the estate planning, taxation and insurance fields across the United States and Canada.

**Miranda K. Hawkins and Jennifer A. Gordon** co-authored an article titled "New Remote Notarization Rules – Not Out of Sight, Out of Mind" published on The 1891 blog of the CWBA on May 20, 2020.

**Goddard Hawkins continues to serve new and existing clients for all of their estate planning needs during this unprecedented time.** To protect the health and well-being of our clients and employees, we have adjusted our normal business practices to effectively meet with clients by video conference and telephone. We continue to assist clients with signing their estate planning documents using remote notarization or meeting in our office in person.