



## Tulsa Attorney Matt Campbell Gavel to Gavel - CARES Act Provisions

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<https://journalrecord.com/2020/04/15/gavel-to-gavel-cares-includes-retiree-benefits/>

Recently, the \$2 trillion Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law. The CARES Act is designed to help those impacted by the COVID-19 pandemic, while also providing key provisions that may benefit retirees. Here are the most important provisions:

**Business Owner Relief.** The Act allocates \$549 billion for loans, loan guarantees, or investments to businesses, states, certain nonprofits and municipalities. This includes loans through approved Small Business Administration ("SBA") lenders through the Paycheck Protection Program ("PPP") at a 1% interest rate. A portion of the loan may be forgiven depending on employee retention through an 8 week period from date of loan funding. Current guidance for loan forgiveness indicates that loans distributed under the PPP can be fully forgiven if the funds are used for eligible payroll costs, mortgage interest, rent, and utilities over an eight-week covered period beginning when the lender makes the first disbursement of PPP funds (the first disbursement of funds should occur within 10 days of loan approval). Potential loan forgiveness amounts are subject to reduction if employee headcount is not maintained throughout the covered period although reductions in employee equivalent headcount can be ignored if restored to testing period levels by June 30, 2020. Additional SBA guidance on PPP loan forgiveness is expected.

**Stimulus Checks.** Americans can expect a one-time direct payment of up to \$1,200 for individuals (or \$2,400 for married couples) with an additional \$500 per child under age 17. These payments are based on the 2019 tax returns for those who have filed them and 2018 information if they have not. The amount is reduced if an individual makes more than \$75,000 or a couple makes more than \$150,000. Those who make more than \$99,000 as an individual (or \$198,000 as a couple) will not receive a payment.

**Inherited 401(k)s.** People who have inherited 401(k)s or Individual Retirement Accounts can suspend distributions in 2020. Required distributions don't apply to people with Roth IRAs; although, they do apply to investors who inherit Roth accounts.

**RMDs Suspended.** The CARES Act suspends the minimum required distributions most people must take from 401(k)s and IRAs in 2020.

**Withdrawal Penalties.** Account owners can take a distribution of up to \$100,000 from their retirement plan or IRA in 2020, without the 10-percent early withdrawal penalty that normally applies to money taken out before age 59½ (but still pay tax on the withdrawal).

## Attorneys

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- Matt Campbell