

# Retirement Times

NEWS AND UPDATES FOR RETIREMENT PLAN SPONSORS AND FIDUCIARIES

## IRS RETIREMENT PLAN ANNOUNCEMENTS FOR THE RECENT HURRICANES AND CALIFORNIA WILDFIRES



Recently, many individuals have been significantly impacted by hurricanes and California wildfires. Through several announcements the Internal Revenue Service (IRS) has provided relief for qualified individuals in retirement plans. In addition, President Trump signed the Disaster Tax Relief and Airport and Airway Extension Act of 2017 ("Act"), which provides tax relief for individuals affected by Hurricanes Harvey, Irma and Maria ("HIM"). Below is a summary of the recent communications, including new information from a recent IRS Announcement for Hurricane Maria and the California Wildfires, election forms, and other resources to help you take the appropriate next step for your plan.

### IRS Retirement Plan Announcements for the Recent Hurricanes and California Wildfires

On Oct. 31, 2017, the IRS issued [Announcement 2017-15](#), Relief for Victims of Hurricane Maria and the California Wildfires, for plan sponsors who want to provide an option for employees to gain access to their retirement assets as a result of the devastation caused by the hurricane. The IRS announced that qualified retirement plans, section 403(b) plans and governmental 457(b) plans can make loans and hardship/unforeseeable emergency distributions to victims of Hurricane Maria and the California Wildfires and members of their families who live or work in the disaster area. These transactions must be made by March 15, 2018. This broad based relief means that a retirement plan can allow a hardship/unforeseeable emergency distribution or loan up to the specified statutory limits for a participant who is a victim of flooding or to assist a son, daughter, parent, grandparent or other dependent that lived or worked in the disaster area for Hurricane Maria on Sept. 16, 2017 for the U.S. Virgin Islands and on Sept. 17, 2017 for Puerto Rico, and the California Wildfires on Oct. 8, 2017. The disaster areas are listed on the [FEMA website](#).

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## Disaster Tax Relief and Airport and Airway Extension Act of 2017 (“the Act”)

President Trump signed the Act on Sept. 29, 2017, a comprehensive hurricane relief bill to assist U.S. residents affected by recent storms that impacted Texas, Florida, Georgia, Puerto Rico and the U.S. Virgin Islands. The Act does not change nor replace the prior guidance issued by the IRS in their recent announcements that provided relief for the affected participants and certain relatives of affected participants.



## **PARTICIPANT CORNER: FINANCIAL WELLNESS SERIES— PART 7: HOW LONG WILL YOUR MONEY LAST?**

“How long will my money last in retirement?” Download the memo from your Fiduciary Briefcase at [fiduciarybriefcase.com](http://fiduciarybriefcase.com).

The big question when it comes to retirement is, “How much money am I going to need?” With all of the advanced education and strategy tools available, it is still often difficult to understand the difference between what you can save for retirement and what is needed to retire. Sometimes, it is helpful to see what your account can actually provide over the course of your retirement. It can also help you set an achievable goal.



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Savings	Monthly income for 10 years <sup>1</sup>	Monthly income for 20 years <sup>1</sup>	Monthly income for lifetime of individual and spouse <sup>2</sup>
\$50,000	\$493	\$289	\$174
\$100,000	\$986	\$578	\$349
\$150,000	\$1,479	\$867	\$523
\$200,000	\$1,972	\$1,157	\$698
\$250,000	\$2,465	\$1,446	\$872
\$500,000	\$4,930	\$2,891	\$1,745
\$750,000	\$7,395	\$4,337	\$2,617

The monthly incomes are hypothetical and not intended to project the performance of any specific investment or insurance product.

<sup>1</sup>Payment increases 2% annually to help offset effects of inflation. Illustrative amounts based on 3.5% interest rate. Lifetime payments assume retirement age of 65. Based on 5.5% annual yield compounded monthly. Investment option performance can dramatically affect these numbers. Inflation can also seriously affect the value of the withdrawals. Rate of return is hypothetical and does not represent any specific investment option or imply guaranteed results. Amounts shown do not reflect the impact of taxes on earnings, your actual return will vary depending on your investment option and your tax bracket.

<sup>2</sup>Lifetime payments assume start at age 65 over two lives, Joint and Survivor at 100% survivor benefit and 3% COLA. Analytics provided by MassMutual.

## IMPORTANT DISCLOSURE INFORMATION

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