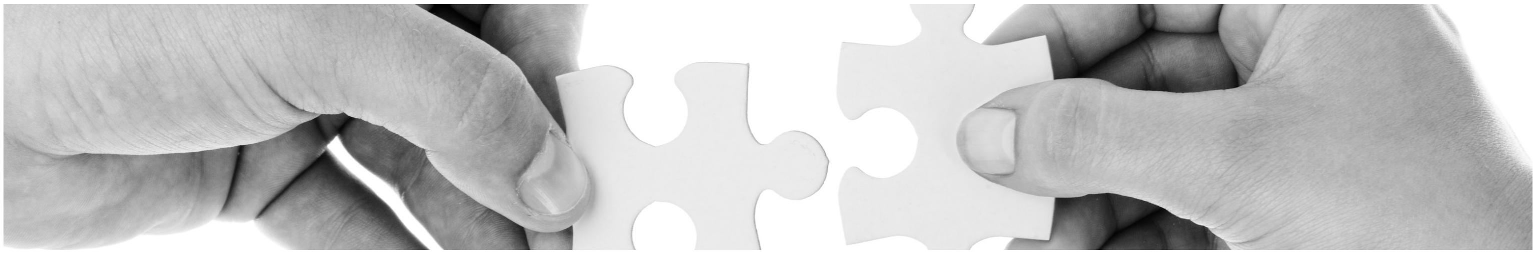
GEMMER ASSET MANAGEMENT LLC
LOCAL PARTNER | GLOBAL INVESTING

Advisor Connect

Operations Newsletter

OCTOBER 2020
Issue No. 17



CARES Act - Remainder of 2020

As we approach the final months of 2020 there are still a few benefits many investors may be able to take advantage of under the CARES Act of 2020.

- 2020 RMDs have been waived. There are no coronavirus eligibility requirements associated with this change.

Tax-favored Coronavirus-Related Distributions (CRDs) from qualified retirement plans and IRAs:

- Clients under age 59½ can withdraw up to $100,000 in aggregate from specified qualified retirement plans and IRAs during 2020 without a 10% penalty, if the individual meets COVID-related eligibility requirements.
- CRDs can be included in your income for federal income (no state income tax likely) ratably over 3 years.
- CRDs may be repaid to a QRP in which you participate or an IRA (in one or more payments) at any time during the 3-year period beginning on the day after the date on which the distribution was received, and those repayments will be treated as a tax-free rollover, without regard to any annual contribution cap.
- Non-spouse beneficiaries may be eligible for a CRD and the 3-year tax spread, but they are not permitted to rollover/repay a CRD.

Trust Types - Which is it and Do I Need a Notary

- Revocable Trust - a trust that can be modified where Grantors/Settlers, Trustees and Beneficiaries are the same. This is common with Living Trusts and Family Trusts. This trust does NOT need a notary.
- Other Revocable Trust - a trust that can be modified where the above three do not match. This is common when a husband/wife passes away or if a successor trustee is taking over due to incapacity. This trust DOES need a notary.
- Irrevocable Trust - this is a trust that cannot be modified without the consent of that trust's beneficiaries. This is common when the initial grantors/settlers pass away, and the trust is moved the successor trustees. This trust DOES need a notary.

Schwab Update to Notary Policies

Schwab has made numerous changes to their notarization policy due to the current situation. Please note that these changes could be temporary.

- Power of Attorney - Advisors can now request a special addendum from Schwab, so that clients can provide the signatures of two witnesses in the place of a notary.
- Trusts - if submitted electronically, account applications and change forms will no longer require a notary.

For any forms that still require a notary, Schwab will now allow electronic instead of physical notarization. Before moving forward with electronic notaries, please make sure the notary you engage is authorized to perform this service. Schwab will not be able to monitor the source of the authorization.

Schwab Wire Fees for Electronic Wires

As Schwab continues to help advisors and clients be more efficient and feel more secure about money transactions, they have implemented a reduction in their electronic wire fees from $25 to $15 while paper-based submissions will remain at $25. By utilizing the electronic wires to complete money movements, advisors and clients will save time, reduce the number of errors on forms and minimize fraud risks. Electronic wires will be prioritized over paper-based submissions and certain wire transactions will be able to go straight through for processing. Below are some of the differences between electronic wires and paper-based submissions.

- Electronic: $15 Fee. Client will get an email to confirm/approve the transaction. Same day processing with longer cut off time to submit and get Schwab approval (4:30pm EST).
- Paper Based: $25 fee. Client will have to provide a signed wire form or LOA, & a move money cover letter. 1-2 days processing with a shorter cut off time to submit and get Schwab approval (2:30pm EST).