KEEN ON
RETIREMENT

Here's What Congressional Action on the Proposed "SECURE Act" Means for Your Retirement Plans

Welcome to Keen on Retirement
With Bill Keen and Steve Sanduski

Steve Sanduski:	Hey, everybody. Welcome back to another episode of Keen on Retirement. I'm your co-host Steve Sanduski, and joining me today is Bill Keen and Matt Wilson. Guys, how are you doing today?
Bill Keen:	We are doing good here today, and I'm grateful to have Matt back on the program with us. We've had a couple of episodes where Matt was busy running the company here and being the Chief Investment Officer of the firm, which is great, but glad to have you back on the show today, Matt.
Matt Wilson:	Yeah, thank you. I'm still waiting on the paycheck for all my previous episodes.
Bill Keen:	Oh, goodness. I think we had some confusion with that then, Steve, don't you?
Steve Sanduski:	Check's in the mail, right? Isn't that the old saying?
Bill Keen:	Yeah.
Matt Wilson:	It's a labor of love.
Bill Keen:	A privilege to be on the program.
Steve Sanduski:	There you go. All right. Well, Bill, what do you got up your sleeve for us today?
Bill Keen:	I have a first to share with you all. I think it will be really interesting.

Matt Wilson: Okay.

Bill Keen: Especially to our listeners over the age of 50, and that does include Steve. Doesn't include Matt, so this'll be something for you to look forward to.

Matt Wilson: Okay.

Bill Keen: Matt? We've talked in prior episodes about Matt having signed me up for my AARP card, when I was 49 and a half, six months early. Which was really kind of him, it really hit me in the face, "Boy, I'm getting older." Well, I used my AARP card for the first time over the weekend.

Matt Wilson: Oh, nice.

Bill Keen: My wife and I took our daughter to Branson, Missouri to a camp, a summer camp. And we dropped her off, but before we dropped her off at the Kanakuk Camps, actually, they do a wonderful job down there.

Matt Wilson: Sure.

Bill Keen: But before we dropped her off, she requested to eat at a buffet in Branson.

Matt Wilson: Oh, nice.

Bill Keen: Which I acted like I didn't want to do, but I actually kind of did, secretly.

Steve Sanduski: Yeah.

Bill Keen: We went to a great restaurant called the Golden Corral.

Matt Wilson: Oh.

Bill Keen: You have those up in your neck of the woods, Steve?

Steve Sanduski: I don't know if they're up here in Wisconsin, but I'm definitely familiar with the Golden Corral, I've seen them on the roads for sure.

Matt Wilson: Yeah.

Steve Sanduski: Yeah.

Bill Keen: Okay, well I was all for it. We went through the line, we got our tray, we got our drink cups and silverware and they asked me do I have a discount code?

Matt Wilson: Oh.

Bill Keen: I looked in my pocket and I said, well first I said, "Do you take AAA?" They're like, "Well, no sir, that's roadside assistance, we don't take AAA here at the Golden Corral." But I went to my pocket and pulled out the AARP card and I said, "Well, what about this one? AARP?" And they said, "Yes sir."

Matt Wilson: That works.

Bill Keen: 10% discount.

Matt Wilson: Oh, what'd you save, a whole buck?

Steve Sanduski: 10% off?

Bill Keen: No, actually, I saved like $5.50.

Matt Wilson: Whoa.

Bill Keen: Golden Corral's gone up in pricing, actually. It was like $55, it was on a Saturday, I think we had to get the dinner rate.

Steve Sanduski: Okay, yeah.

Bill Keen: I tell you what. I resisted, initially, carrying the card, but at this point, I'm going with it.

Steve Sanduski: It's starting to pay for itself.

Bill Keen: Yes, it is.

Steve Sanduski: Did they just think you looked over 50, is that why they asked?

Bill Keen: Oh, absolutely not. It was the fact, they simply said, "Do you have a discount?"

Matt Wilson: Okay, all right, yeah.

Bill Keen: So that's what I'm going with.

Matt Wilson: Yeah.

Steve Sanduski: They're probably trained to say, specifically, "Do you have a discount card?" As opposed to, "Do you have an AARP card?" Then they're making a judgment about your age.

Matt Wilson: Yeah.

Bill Keen: Right. Well, he knows. I forgot that I had it on me, and so I said, "Oh, gosh darn, no, I left it at home." And the lady said, "Well, sorry. You have to prove, you have to show us your credentials."

Matt Wilson: Okay.

Bill Keen: I did remember then that I had it, I had stuck it in my pocket, so luckily I had it with me. I was able to put that to use.

Matt Wilson: Very good.

Bill Keen: Matt, I want to formally thank you for signing me up.

Matt Wilson: Yes, you're welcome. I paid for that on the corporate credit card, though, so I guess you technically paid for it.

Bill Keen: Oh, there's a cost? I didn't know about that. Well I'm going to work on getting my money back.

Steve Sanduski: That's right, you just chipped away $5.50 or so.

Matt Wilson: Yeah.

Bill Keen: All right, well we are a financial program here ... That kind of is apropos to our listener base so that's an okay thing to start with today. But I think we probably want to get into our topic of the day, which actually could have a pretty dramatic effect on most of our listeners and certainly clients at Keen Wealth, wouldn't you say, Matt?

Matt Wilson: We have, yeah, some interesting information on what has been dubbed the SECURE Act.

Bill Keen: SECURE Act.

Matt Wilson: Do you know what that stands for? Yeah. Everything in Congress is an acronym by the way. So, SECURE stands for something. And it means-

Bill Keen: All right Steve, you should know that.

Steve Sanduski: Well, I'm going to cheat and I'm going to read it.

Matt Wilson: Okay.

Steve Sanduski: I'm just going to get that out there. And this is funny. Setting Every Community Up For Retirement Enhancement Act of 2019.

Matt Wilson: Yes, very good.

Bill Keen: Who wouldn't want to do that?

Steve Sanduski: Yeah, it's funny how Washington, when they come up with these acronyms, I think they come up with the name first and then they go back and put the words in it that make the acronym that they want.

Matt Wilson: I think so. And they all sound good. Every one ...

Steve Sanduski: They do.

Matt Wilson: Who would oppose that?

Steve Sanduski: Yeah.

Bill Keen: Sounds better than tax increase.

Matt Wilson: Exactly.

Steve Sanduski: Yes, yeah.

Matt Wilson: Well this is getting some airplay, and rightfully so. Because there are some significant implications for retirement accounts built into this. There has been bipartisan support over this bill. Back in May, the House voted on this and it passed 417 to 3. And when I heard that, it's like, I don't know if you could vote on anything and get that much support in favor of something." They only had three people opposed to it, who withheld.

Bill Keen: That sounds ... It doesn't sound like the political environment we're in today, for sure.

Matt Wilson: Exactly. So the expectation was that this would fly through the Senate pretty quickly and not really have any opposition from the President. Well as of where we stand right now, it hasn't passed through the Senate yet so, if not longer. None of what we're talking about is law yet, it's just been proposed. And there's some different versions between what the House passed and what the Senate is proposing as well, so we'll kind of talk about what those items are.

Bill Keen: And Matt, we do resist, on our program, talking about proposals, don't we? Over the last four and a half years or so that we've been doing this. It's really been tempting to talk about proposals, but we typically don't unless we really think that there is a solid chance of some of this getting passed, and unless we want people to be thinking about how this could affect them. And that's why we went ahead and said, "Let's do this." Even though it's not formal and official yet.

Matt Wilson: That's right, yeah. Because we don't want to make suggestions or recommendations of what people should do if the law hasn't changed yet. We want to make sure that we understand what the rules are and make a competition decision based on what the current rules are. This isn't anything to act on, but maybe some of these things, maybe they don't change this time, maybe some of the stuff we're going to talk about gets thrown out. But the fact that Congress is continuing to talk about some of these issues means they might change in the future. The more they talk about it, the more likely some of the stuff does change.

Bill Keen: That's right.

Matt Wilson: I would kind of break it into maybe two components. There's the impact for just retirement planning in general for the workforce across the country and businesses, and then there's what happens to retirement accounts and with retirees specifically.

Bill Keen: So it's not all bad.

Matt Wilson: That's right.

Bill Keen: It's not all bad.

Matt Wilson: The majority of it is actually pretty good. There's just one piece of it that we'll probably cover at the end, which I think is probably the worst thing, so you have to stay tuned. But the main components, and this is really where the acronym I think is geared towards, is creating incentives for businesses to set up retirement plans.

50% of all workers in the US don't have access to a retirement plan through their employer. And that's a big deal because if you don't have access to a retirement plan, you are very limited in your choices when it comes to especially tax-deferred or even Roth IRA contributions. The limits are much lower, right now 2019 a catch-up contribution, so someone who's over 50, is $7000 for a Roth IRA.

Bill Keen: It just doesn't move the needle. It's better than nothing for sure, but it doesn't move the needle. But remember too, the power of having money in savings come out of your paycheck automatically. Power in that.

Matt Wilson: Yeah.

Bill Keen: And these folks that don't have access to a retirement plan at their workplace just don't have the opportunity to have that happen automatically. And oh sure, you could set something up in a mutual fund or an IRA somewhere offsite or away from your employer that is automatic. But I've seen the numbers and I've seen the experience tells me that people don't do that. It's just the fact that it's simple and could be automatic, which makes a big difference-

Matt Wilson: That's right. Yeah, especially-

Bill Keen: Especially for younger people.

Matt Wilson: When you have to do it yourself, it's an extra step and there's more decisions and thoughts in making that decision. And then in addition to that, a traditional 401k, the limits are much higher. Right now it's $24,000 for a catch-up contribution to a 401k plan, compared to a $7000, so you can save significantly more inside a 401k plan. So what this act is saying is they'll provide some tax credits to businesses to set these up. Because that's really been the hurdle, at least this has been in Congress's mind, that the cost to put these plans together is the hurdle for companies adopting them.

In our experience, that is one of them, but in addition of the that, it's also some of the participation rates. If a small business is going to spend a few thousand dollars to set up this plan and then administer it every single year. We've got a lot of clients that are willing to do that, but then once they do it, their employees don't participate.

Bill Keen: Right.

Matt Wilson: And then they feel like, "We're just throwing money down the drain because we're setting up this plan, we're paying this expense, and our employees don't want it."

Bill Keen: Right, it can be frustrating.

Matt Wilson: That's right. So even though this is trying to reduce those setup costs and things like that, it still doesn't solve the participation issue. Now to your point, Bill, one of the things that they will do is provide additional tax credits for auto-enrollment.

Bill Keen: Mm-hmm (affirmative).

Matt Wilson: And auto-enrollment is one of those things when you sign on a new employee or you set up a new plan, they are automatically enrolled in the 401k with a small percentage, call it 3%. And then they have to opt-out. They have to make a decision not to participate. There's been a lot of studies done on this, and they've found that most people don't opt out.

Bill Keen: And that speaks to what we just talked about, that one extra step, folks don't do it. In this case, the extra step would be opting out, which is good that they don't do it.

Matt Wilson: Any time they have to make a decision, people kind of say, they avoided the decision.

Bill Keen: Right.

Matt Wilson: If you force them into doing it, they don't opt out. So that is a good thing, and also people can start to see those balances, and after time they see them build up and they get a little more excited about it, and they're willing to participate more after they see the power of it over time.

Bill Keen: That's right. So you're saying that if an employer sets one of these plans up and has an auto-enrollment, that they would receive a tax credit of some kind.

Matt Wilson: Mm-hmm (affirmative), yeah.

Bill Keen: That the employer would.

Matt Wilson: The employer would receive some benefits for bearing the cost of setting this up. Which, that's a good thing. And the other thing they want to do is, they talk about pooling some of these plans together, so taking many small plans and then combining them so they have a little bit better pricing power when it comes to some of the investment options. Because that's another issue is that small plans tend to have higher costs for the plan participants because their balances are smaller.

Bill Keen: Higher internal costs and the different types of investments.

Matt Wilson: So those are kind of the key issues when it comes to the retirement plan side for businesses. Now, for individuals, here are some of the options. We'll start with some of the good ones. The very first one is they are looking to move out the required minimum distribution age from 70 1/2 to 72.

Bill Keen: Okay, 18 months, huh?

Matt Wilson: That's not one that'll probably move the needle a whole lot for people, and that's for the House version. 70 1/2 to 72. Now the Senate version is suggesting out to age 75.

Bill Keen: Okay.

Matt Wilson: So there's a little bit of benefit to that. One thing that I've read recently, because this is a big planning tool for us at Keen Wealth is the use of these qualified charitable distributions. And what that is is once you hit 70 1/2, you can take money directly from your IRA, send it to a charity, and reduce your taxable income. It's a very useful tool, and a lot of our clients we utilize that for.

So my first thought was, what's going to happen to that? Well, supposedly that's not going to change. So even though the RMD age will be pushed out, these qualified charitable distributions can still happen at age 70 1/2.

Bill Keen: Okay, that's good news.

Matt Wilson: Mm-hmm (affirmative). Kind of the best of both worlds. Now, part of the reason the discussion is around pushing the required minimum distribution age out is because it hasn't changed since 1986, when the rules were created.

Bill Keen: I was going to ask you when that was put in place. I think no one would argue that life expectancies have increased.

Matt Wilson: That's right.

Bill Keen: And that's, again, why when they start raising the full retirement age for Social Security, I know some people will probably raise a fuss, but it's going to be hard to argue with that one too, when that comes out. But that's not part of this particular bill.

Matt Wilson: Yeah. But that's a reasonable thing to look at and adjust. Another option is for individuals, this is on inside their retirement plan, they are looking to add annuity or guaranteed income options as part of your 401k. What they're saying is your 401k, whether you get your online access and you can see this online or you get a quarterly statement, will display to you, if you were to purchase a guaranteed income option, how much income you were to receive from your retirement account.

Bill Keen: Almost like you've self-created a pension.

Matt Wilson: Mm-hmm (affirmative). The thought process behind it is if individuals saw what that amount was, and they didn't think it was enough, that might entice them to save more. There's maybe a benefit on that side of things. Now, I can see this get maybe misused through annuity providers in other places to really promote guaranteed income options and a bunch of other benefits and riders that participants probably don't need or want, and don't necessarily understand how they work. Because that can start to add a whole other complexity and layer of fees that individual probably don't understand.

Bill Keen: That's right.

Matt Wilson: I don't see a whole lot of benefit to that one particularly, but another thing that they're proposing.

Bill Keen: So, right now, the way the current law works, if you're working, you can still contribute to your 401k, even if you're over 70 1/2 years old. But your IRAs, you're not allowed to contribute to if you're over 70 1/2. Correct?

Matt Wilson: That's right, yeah. So in our example, if half the US doesn't have access to a retirement plan and you're over 70 1/2, you can't contribute to a retirement plan at all, or IRA.

Bill Keen: Right.

Matt Wilson: So this new proposal would eliminate that.

Bill Keen: So you could then contribute to an IRA, post 70 1/2, if you're working.

Matt Wilson: Yeah, earned income, which is kind of the key there. Maybe a little benefit to that, I don't see a big one.

Bill Keen: Okay. Doesn't probably move the needle either, does it, at that point in life?

Matt Wilson: Yeah. You save a little bit on the tax side of things if that's what you're looking for. Now, here's the big one. To help pay for this, these are all kind of benefits that we've gone through, so the pay provision in the bill is to eliminate the stretch IRA. So let's kind of talk about what the stretch IRA is, and not completely eliminate it but really restrict it. The stretch IRA, the way it stands, when you pass away, you can leave it to your spouse, kind of act like nothing happens. But if you leave it to a non-spouse beneficiary, let's say your child, they have the ability to stretch that IRA over their lifetime. Which means, they have to take distributions out, but it's based on their life expectancy.

Bill Keen: So required minimum distributions, just like folks do over 70 1/2 today, potentially 72 or 75 as things play out here, but based on their life expectancy, probably younger people.

Matt Wilson: Mm-hmm (affirmative).

Bill Keen: So literally could stretch that inherited IRA out for many years. Even a grandchild could do that, right?

Matt Wilson: Yeah. That's right.

Bill Keen: Maybe they stretch this thing out for 60 years potentially, or something like that the benefit to that as it defers much of the income tax on those assets.

Matt Wilson: Yeah, it's a great tool and a nice benefit. The House bill is to limit the stretch IRA to 10 years.

Bill Keen: Okay.

Matt Wilson: So instead of a lifetime, it would be 10 years. And the way it's written right now is that it's no annual amount has to come out, it just all has to be out in 10 years. So you could wait until the last year to do it all or you could take it evenly throughout 10 years or any combination.

Bill Keen: That really forces some tax dollars out, doesn't it?

Matt Wilson: It does. They're expecting that to generate $16 billion in tax revenue.

Bill Keen: Over some time frame they've come up with.

Matt Wilson: What I've read is the next decade, which I guess they're assuming a lot of people are dying in the next decade.

Bill Keen: Okay.

Matt Wilson: This stretch IRA, do either of you know what really started prompting the discussion around the stretch IRA and eliminating it or restricting it?

Bill Keen: I believe that it's something to do with the fact that folks were using this stretch IRA provision more as an estate planning mechanism than a retirement security mechanism for themselves. But that's about as deep as I can go with my answer.

Matt Wilson: Yeah, that's it. And it really started after the 2012 Presidential campaign.

Bill Keen: Okay.

Matt Wilson: One of the candidates, Mitt Romney, he had to disclose how much that he had in assets and in retirement accounts, and he said he had anywhere ... between $20 million and $100 million in an IRA.

Bill Keen: Steve, is that where you're at, just a broad range?

Steve Sanduski: If you include my Bitcoin.

Bill Keen: Okay. He was able to put it in the IRA, I guess.

Matt Wilson: You know ...

Steve Sanduski: Yeah, it's a collectible I guess, huh?

Bill Keen: What's interesting about this is if you think about it, 401ks themselves, it's not like they've been around for 100 years, they're relatively new. We did an episode, talked about the birthdate of those.

Matt Wilson: 40 years.

Bill Keen: Yeah, 40-ish years old. And there are limitations to what can go in, so you would think, "Well, maybe there's not as much wealth in these things as we think, but I believe I saw a number that there's something along the lines of ... is it close to $30 trillion in retirement accounts?

Matt Wilson: Yeah, according to the Investment Company Institute, they look at all the different types of retirement assets, and yeah, they're saying about $29.1 trillion, and of that, about $17.5 trillion are in individual retirement accounts, so IRAs, and defined contribution plans, which are 401ks, 457s, 403bs, the ones that you contribute to as an employee, that's about $17 trillion of it. The rest are in pension plans and things like that.

Bill Keen: Okay, so there's a lot of money that would be affected by this.

Matt Wilson: Mm-hmm (affirmative).

Bill Keen: I know our experience here at the firm, but it's interesting to see how many people actually execute on the stretch IRA provision, if you think about beneficiaries that inherit these monies, do they in fact limit themselves to what the required minimum was only, or are these beneficiaries just consuming all the money anyway, out of maybe lack of discipline or either needs.

Matt Wilson: Sure.

Steve Sanduski: So what have you guys seen there at Keen Wealth in terms of clients who have passed away and it went to a next generation? Are you seeing people taking advantage of the stretch IRA?

Matt Wilson: We are. Our clients, even we have some that are retirement age and they've inherited IRAs from their parents, and they are utilizing those provisions. They're not overspending it, they're not triggering any excess tax. But even the younger clients that receive these as well, we do a lot of education on how to maximize this account and minimize the tax consequences, and how you can even offset it too. Because if you're still working and you're not maxing out your 401k, you can offset this income you're receiving from the IRA by increasing your 401k contribution.

Bill Keen: Mm-hmm (affirmative).

Steve Sanduski: So let me ask you guys a question here, and on a scale of one to 10, with 10 being this is home run legislation, this is so consumer friendly, this is a great deal for consumers because they're going to be able to potentially save a lot more money for retirement in a tax advantaged way, versus one being why are we even talking about this today, this is a nothing burger. If the legislation as proposed in the House version, if it passed as it exists in the House version as we're having our conversation today, how would you guys rate this on a scale of one to 10 in terms of the potential impact of your clients?

Bill Keen: I think there's two different audiences that this is speaking to. So, if you're a younger person just getting started, in your 20s, 30s, maybe even 40s, it's encouraging you to save, it's giving you some other options, it's making more plans available to folks like Matt mentioned at the outset of the program. So in that case, a seven, eight, or nine, something along those lines. I see there's no real downside to the younger people.

Matt Wilson: Yeah.

Bill Keen: I think the people that, I hate to use the word penalize because I don't want to make anybody angry, but people who have been disciplined, have lived within their means, who've saved money, who've put money away under these old rules, they've looked at these rules, they've made decisions about how to effectively invest their assets, it's ... I believe the little concession about moving the RMD out from 70 to 72 or 75, doesn't offset the tough nature of the fact that they're going to have to push all their money out of these accounts that have been accumulated over 30 or 40 years, within 10 years. If I'm in the ... Which most of our clients are. I think the average age about 62, are the ones that would have more of a negative effect than a positive effect. So it depends on who you're asking, what the rating would be. Does that help, Steve?

Steve Sanduski: Yeah, I'm really glad, Bill, that you made that distinction between the two groups of people and how it might affect them differently. Just so I'm clear, you talk about this 10 year rule that says this act if it gets passed, at least in the House version, would require the beneficiary of an IRA to completely withdraw that inherited IRA and retirement plans within 10 years. So let's use, say, a typical Keen Wealth advisor-client as an example. So you work with someone, let's say they're 67 years old, they're retired, and they have a pretty decent amount of money saved up in their IRA. So are you saying that that person may have inherited an IRA from say, their parents, and so everything they inherited from their parents, they have to basically take all that money out of the IRA within 10 years.

Let's kind of put that in a bucket for a second. And then the second piece is, for your client who's 67, and the IRA that they've accumulated, they don't have a 10 year ... Correct me if I'm wrong, they don't have a 10 year period where they have to withdraw the money out of their IRA, it's only if their IRA gets passed down to their children, then their children have to take it out in 10 years. Did I understand that correctly?

Matt Wilson: Yeah, that's right, Steve. If anyone has an inherited IRA currently ... Let's say their parent passed a couple years ago and they've had to take these distributions out, those are grandfathered in.

Steve Sanduski: Oh, okay.

Matt Wilson: They're not changing anything with existing inherited IRAs.

Steve Sanduski: Right.

Matt Wilson: With the existing accounts, it's only when you pass away and leave it to a non-spouse beneficiary. And there's some rules around disabled folks and even minors. It's not as bad in some cases, but still, the majority of people, if they're leaving it to an adult child that's probably in their 50s, they're having a much shorter window to withdraw this money out, based on these proposals.

Steve Sanduski: So it sounds like the person who would get quote "hurt" the most in this case would be, say again, a Keen Wealth client who's 65, 67 years old, and then over time they end up passing the IRA to their child, then their child would have to take all that money out of the IRA within 10 years, pay the tax on it. So they could have a much larger tax liability because they're pulling everything out within 10 years, as opposed to today where they can actually stretch that out over their expected lifetime. So yeah, it looks like that's one of the case samples where someone could get hurt.

But on balance, it sounds like you both would agree, for many people, this could be a real benefit, particularly people that are not retired right now.

Matt Wilson: That's right. And especially ones who want to save and they just can't save as much in a tax-efficient manner because their employer doesn't offer it. If someone's enticed to save and their employer doesn't provide the most tax-efficient vehicle, they're still going to save anyway. They're not probably just going to go spend it, but hopefully with this auto-enrollment and providing access to plans for other people, it would entice just more people to save that otherwise aren't. That's really the key to it all, is that it increases participation in just saving for retirement in general. Time will tell whether that worked or not, but at least it's a starting point.

Steve Sanduski: Let me ask you another question here to get your opinion on this: what's in it for the government to do this? Is there some ulterior motive that they have to encourage businesses to put these plans in place? Somebody's going to get a benefit here, I'm thinking, so do you have an opinion on that?

Bill Keen: I think as the government sits down and wanting to make sure that all Americans are set up for some kind of a stable retirement, I think incenting people to be responsible and to go after this on their own. Because we know that the government's not going to be there for our retirement. Yes, Social Security will probably be there or will be there to some extent. Corporations aren't going to be there with pension funds, like the prior generations have had. And I think the government really wants to encourage people in any way they can, to save for their own futures.

I think that's good, but we look down at how we're going to pay for that, and they have to go after those IRAs that I believe in their mind, they're saying if someone has built up multi-millions of dollars in an IRA, they themselves are probably set for retirement, so let's force that money out faster than we were before, to get tax dollars faster than we would have, and let's pay for some of these things that they're putting in play to help the younger generations get themselves in a position to be secure long term. I think it's well intended, but I think everything has to be paid for, eventually.

Steve Sanduski: It does, yeah. I'm thankful that you gave that explanation there, and I think a couple of things, another couple little takeaways here is, one is you've got the younger generation who may not have a financial advisor. So the easier that we can make these things to make it easier for people to invest, like with the auto-enrollment that you were talking about earlier, Matt, where you have to opt out of the plan instead of opt-in, we're going to get more people that are going to be saving, because it's easier, it's automatic. So I think that's great. And then the second is we still have some important planning strategies that can be fairly sophisticated. And so for folks as they're accumulating a decent amount of retirement savings, it's going to be important that you talk to a financial professional who understands what these rules are.

And I'm glad that we're doing this episode today because even though this legislation as we're talking today has not been finalized, I want everyone listening to know that Bill and Matt and the rest of the team here at Keen Wealth really stay on top of things that are happening in Washington and how legislation may affect the financial planning strategies that you guys talk about with your clients. So we're happy to be able to share that with today's podcast. I'm sure that if this legislation gets approved, which will likely happen at some point in some form, we'll probably be back on and talk about the final legislation, exactly what that looks like and how that's going to impact the folks that are listening to this.

Any final thoughts or comments that you want to wrap up with here on this topic?

Bill Keen: I would say, for our listeners, just stay tuned. We will come back on the program as these things become crystallized so we can really dig in to planning opportunities that exist. We didn't get to cover today in our episode what happens when a trust has been named as an IRA beneficiary, where someone who's leaving these IRA accounts want to control the distribution of those assets, maybe from a spend-thrift situation or a tougher situation. What the effect will be on some of those plans that have been in place, it could require a complete revision of some of that thinking.

There are other things like naming more beneficiaries to these IRA accounts. If you think about it, this money's getting pushed out to a beneficiary, all the tax would run through that one beneficiary's tax return, and it would go up through the brackets pretty quick into the higher brackets. So if you just named many more beneficiaries, you spread it out, so you named all the kids and all the grandkids. Spread it out so that more tax returns were being used so that more folks were running it through their individual tax returns. It would be dollars in the higher brackets, if that makes sense.

There's some planning issues that were already on our radar to deal with some of these things as this becomes law. So again, to your point, Steve, stay tuned, we're on top of it. We'll be looking at it, we'll be adding these issues into our annual financial planning checklist that we run each of our clients through, making sure that we don't miss opportunities here as these things take hold. So

I think it's good that we did cover this today, because it's far enough down the road that it was definitely worth spending some time bringing this information to the forefront here.

Steve Sanduski: Great. I think the key takeaway then is to, as you say Bill, stay tuned and we will keep you appraised of what's happening here. And you can stay appraised of everything by going to keenonretirement.com, that's K-E-E-N on retirement dot com. You can get all the show notes from this episode as well as all the previous episodes. And we put these episodes out two times per month roughly, and in between the episodes, we also publish a blog post. We'll take a topic that is of benefit and of importance to folks that are in or near retirement. So make sure that you check out the blog posts, as well as subscribe to the podcast.

So guys, thanks. Another great episode here. Lots of great information and values for our listeners. I appreciate you guys taking some time today to talk about the SECURE Act of 2019.

Bill Keen: You're welcome, Steve. Thank you, sir. Thanks, Matt.

Matt Wilson: Mm-hmm (affirmative). Thank you.