



2021 Deadlines

Every IRA Holder
Should Know





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Agenda

- 1 About Entrust
- 2 What is a Self-Directed IRA?
- 3 Benefits of Self-Direction
- 4 2021 Deadlines IRA Holders Should Know
- 5 Q&A Time

Meet Your Presenter

John Paul Ruiz

Director of Professional Development at The Entrust Group



24

Years of retirement education development



Educating investors and professionals on tax-preferred retirement accounts



CISP & QKA certified

About Entrust



\$4B

Assets Under
Management



22k

Accounts



39

Years of
Service



1

Point of
Contact

About Entrust



- Self-Directed IRA administrators
- Knowledgeable Staff with CISP designations
- Nationwide offices
- National continuing education program
- In-person events and webinars
- Biannual IRA Academy

2021 Deadlines Every IRA Holder Should Know



February 1

- IRS Form 1099-R
- Fair Market Valuation (FMV) Statement
- Required Minimum Distribution (RMD) Statement
- Due date is typically January 31, but January 31, 2021 is a Sunday

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0119		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no.		1 Gross distribution	2020		Form 1099-R
		2a Taxable amount			
		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>		Copy 1 For State, City, or Local Tax Department
PAYER'S TIN	RECIPIENT'S TIN	3 Capital gain (included in box 2a)	4 Federal income tax withheld		
RECIPIENT'S name		5 Employee contributions/ Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities		
Street address (including apt. no.)		7 Distribution code(s)	IRA/ SEP/ SIMPLE <input type="checkbox"/>	8 Other	
City or town, state or province, country, and ZIP or foreign postal code		9a Your percentage of total distribution	9b Total employee contributions		
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld	15 State/Payer's state no.	16 State distribution
Account number (see instructions)		13 Date of payment	17 Local tax withheld	18 Name of locality	19 Local distribution

Form 1099-R www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service

What is IRS Form 1099-R?

- IRS Form 1099 Series: Reports distributions and other taxable events from retirement plans
- Sent out by IRA custodians and trustees by January 31 of the following year—February 1 for 2021
- Not all reportable distributions are taxable
 - Recharacterizations
 - Direct rollovers
- Does not need to be filed with the tax return unless there's an amount on **Box 4** "Federal Income Tax Withheld"

OMB No. 1545-0119

2020

Form **1099-R**

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Total distribution ☐

4 Federal income tax withheld

\$

Copy 1
For State, City, or Local Tax Department

Fair Market Valuation (FMV) Statement

- IRA custodians and trustees are regulated to provide FMVs to IRA holders by January 31 of the following year—February 1 for 2021
- Reports the December 31 balance in an individual's IRA
- Used for RMD Calculation
- Amount may come from the IRA holder
 - Custodians may use alternatives besides an appraisal
 - Some values may be difficult to acquire timely
 - Partnerships
 - LLCs

Required Minimum Distribution (RMD) Statement

- Required for custodians under IRS notice 2002-27
- IRA custodians and trustees must provide RMD statements to IRA holders by January 31 of the year a RMD is due—February 1 for 2021
- Assists in notifying IRA holders that they have a RMD due that year



Required Minimum Distribution (RMD) Statement

2 Notification Methods

Alternative 1

- Provide the specific date the RMD is due
 - April 1 of the year following the age 72 year **or**
 - December 31 in the age 72 year
- The amount of the RMD

Alternative 2

- Provide the specific date the RMD is due
 - April 1 of the year following the age 72 year **or**
 - December 31 in the age 72 year
- Offer to calculate if the IRA holder needs assistance in the calculation

March 15

- S-corporation and Partnership tax deadline (*see IRS Publications 4951 & 541*)
- SEP and Individual 401(k) Plan establishment and contribution deadline for S-corps and partnerships (*see IRS Publication 560*)
- Contribution Limits
 - SEP Plan
 - Lesser of 25% of compensation or \$57,000 for 2020
 - Individual 401(k) Plan
 - Deferral: \$19,500 for (2020, 2021) catch-up \$6,500 for age 50 and over
 - Profit Sharing: Lesser of 25% of compensation or \$57,000 for 2020
 - Total of all contributions (excluding catch-ups) cannot exceed \$57,000 for 2020

April 15

- Individual tax return due date; however, it is the following business day if April 15 falls on a weekend or holiday
- Deadline to make an IRA contribution—**does not** include extensions
- Deadline to establish and contribute to SEP or Individual 401(k) Plans for sole proprietors or C-corporations (*see IRS Publication 560*)
- Same deadline to recharacterize a current year contribution as well as execute a corrective distribution of an ineligible IRA contribution

May 31

- IRS Form 5498 reports IRA contributions, rollovers, Roth IRA conversions, and required minimum distributions (RMDs) to the IRS
- IRA custodians and trustees must mail IRS Forms 5498 and 5498-SA to IRA holders by May 31

2727		<input type="checkbox"/> VOID	<input type="checkbox"/> CORRECTED
TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Employee or self-employed person's Archer MSA contributions made in 2021 and 2022 for 2021 \$	OMB No. 1545-1518 2021 Form 5498-SA
		2 Total contributions made in 2021 \$	HSA, Archer MSA, or Medicare Advantage MSA Information Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2021 General Instructions for Certain Information Returns.
TRUSTEE'S TIN	PARTICIPANT'S TIN	3 Total HSA or Archer MSA contributions made in 2022 for 2021 \$	
PARTICIPANT'S name		4 Rollover contributions \$	
Street address (including apt. no.)		5 Fair market value of HSA, Archer MSA, or MA MSA \$	
City or town, state or province, country, and ZIP or foreign postal code		6 HSA <input type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>	
Account number (see instructions)			

Form **5498-SA** Cat. No. 38467V www.irs.gov/Form5498SA Department of the Treasury - Internal Revenue Service
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

June 1

- Deadline for IRA holders to remove excess ESA contributions and earnings for 2020
- To remove excess contributions, request a withdrawal by contacting your bank or investing company



September 15

- Deadline for S-corporations and partnerships (that filed for a tax return extension for 2020) to make contributions
- The same deadline applies to establishing SEP and Individual 401(k) Plans for tax year 2020 for employers who file for a tax return extension
- Deadline for S-corporations and partnerships (that filed for a tax return extension for 2020) to make SIMPLE Plan employer contributions

October

- **October 1**

- Deadline for existing businesses to establish a new SIMPLE Plan for tax year 2021

- **October 15**

- Deadline for C-corporations and sole proprietors who filed for a tax extension to establish and contribute to SEP and Individual 401(k) Plans for tax year 2020
- Taxpayers who filed a tax extension, or filed their taxes timely, must remove or recharacterize a 2020 contribution by this date
- Deadline for C-corporations and sole proprietors (who filed for an extension) to make SIMPLE Plan employer contributions for tax year 2020

October

- **October 15**

- With the passage of the SECURE Act, the deadline to establish an Individual 401(k) Plan has been extended to match the SEP Plan establishment deadline

- **October 31**

- IRA custodians and trustees must send out the document required to satisfy the SIMPLE Plan notice requirements by this date



November

- **November 2**

- 60 days before the following plan year, businesses must provide notices to their employees about the type of contribution they will be making for tax year 2021

- **November 12**

- IRA custodians and trustees must send Fair Market Valuation notifications to all clients by the end of the 2nd week in November to update their asset's FMV (except publicly traded assets with openly available market prices)

December 31

- Traditional IRA, SEP, SIMPLE and Individual 401(k) Plan participants (who are older than 72) must distribute their RMD by this date
- Separate accounts/inherited IRAs must be established by this date for each beneficiary for IRA holders who died in 2020

What's Next?



Want more information regarding today's topic?

➡ Complete our brief webinar survey



Want to stay on track of upcoming deadlines?

➡ [2021 retirement plan calendars](#) will be emailed to you



Need more information on SDIRAs?

➡ Visit our [website](#) and [Learning Center](#)



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Time for Questions



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“

An **investment in knowledge**
pays the best interest.

- *Benjamin Franklin*

