



## YEAR-END TAX PLANNING MOVES FOR INDIVIDUALS

### Rollover Distributions

Take an eligible rollover distribution from a qualified retirement plan before the end of 2020 if you are facing a penalty for underpayment of estimated tax and having your employer increase your withholding is unavailable or won't sufficiently address the problem. Income tax will be withheld from the distribution and will be applied toward the taxes owed for 2020. You can then timely roll over the gross amount of the distribution, i.e., the net amount you received plus the amount of withheld tax, to a traditional IRA. No part of the distribution will be includible in income for 2020, but the withheld tax will be applied pro rata over the full 2020 tax year to reduce previous underpayments of estimated tax.