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Capital Management Advisors, Inc.

NAPFA-Registered Financial Advisor   AIF® Accredited Investment Fiduciary®

Newsletter 2Q 2020 and Market Summary

The Market encountered Covid 19 during the 1Q 2020 and did an about face from reaching all-time highs to close at March 31, 2020 in negative territory. All of FCMA's Mutual Fund Model Portfolios had losses YTD at March 31, 2020 that were less than the indexes due to being de-risked prior to the downturn: Conservative Model -15.55%, Moderate Model -17.58%, and Aggressive Model -18.62%. The S&P 500 was negative YTD -19.609% and the foreign investments ended -22.72% through March 31, 2020. Please see a summary of the new CARES ACT that is law to help most Americans cope with the Covid 19 crisis and receive assistance at this difficult time.

On a happier note…

Congratulations to Patrick Carney our newest CFP and Nathan Wilber joining the Foresight Team!

Patrick Carney, CFP
VP Director of Personal Wealth Management

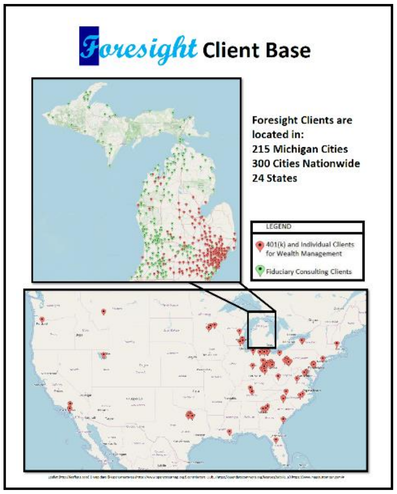
!!!Celebrate!!!

Patrick passed his Certified Financial Planning exam and is a CFP!

Nathan Wilber
Financial Analyst
BBA in Finance from MSU

New Foresight Whitepaper released January 2020! : Foresight is pleased to announce our newest published piece that will detail the key steps of how to invest your portfolios for retirement! Most people work all their lives saving money in their employers' 401(k), 403(b), and 457 plans. When they are nearing retirement they do not realize it is best to transform these portfolios from mutual fund portfolios into distribution portfolios! The reason for doing this is the key message of our latest white paper titled, "How to Harvest Your Dividends and Interest as you Move into Retirement!"

We sent a copy to your Email. Please let us know if you want a paper version.



FCMA Mutual Fund Model Returns
Mar 31, 2020

Conservative Model	- 15.55%
Moderate Model	- 17.58%
Aggressive Model	- 18.62%

Indexes:

S&P 500 Index	- 19.60%
MSCI EAFE Foreign	- 22.72%
10Yr T-Bond Index	+ 3.15%

8.72%

Future performance is not guaranteed; above returns are 2pt actual averages for indexes

Foresight's Outlook and Portfolio Strategies

Volatility and Covid 19! The 2020 financial markets began by reaching all-time highs in mid-February, only to completely do an about face when the Covid 19 created a global pandemic and turmoil in financial markets that caused them to end at March 2020 in recessionary territory. This certainly has not been an easy quarter to navigate. Unemployment is reaching 20%, The Federal Reserve lowered interest rates to zero, and inflation is expected to rise. Thankfully, the Foresight portfolios were in a de-risked allocation when the pandemic hit, however this did help to stem losses but did not make them immune to the rout that took place. During March we did raise some cash by selling the higher risk investments, as the bond market was impacted, and increased the holdings in gold, money market, and government treasuries. Even though the near and long-term effects on the overall U.S. economy and industry sectors remains to be seen. The Foresight April portfolio rebalance will be focused on repositioning in equities and bonds that will likely do well in the new world we face as we learn how to deal with the Covid 19 virus.

In a conference call on April 23, 2020, Mohammed El-Erian of Allianz, believes we are likely to have a deep recession due to the negative impact on many businesses globally. He believes de-globalization will occur as nations realize how vulnerable they were when supply chains were upset during the pandemic and shortages of basic products like PPE and cotton swabs were at critical levels. He also sees promise in infrastructure projects beginning in the U.S. to help get people back to work. Foresight will continue to keep you updated as we discover new ways to navigate this world. I hope you will continue to read the rest of our newsletter as we have attached many articles and a special CARES ACT presentation by Michael Kitces a CFP and FPA member. There will be many interesting items for you to take note of.

I hope you are all safe at home, and those who begin back to work do so in a safe way!

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2Q20 Newsletter

Market Update
(all values as of 03.31.2020)

Stock Indices:

Dow Jones	21,917
S&P 500	2,584
Nasdaq	7,700

Bond Sector Yields:

2 Yr Treasury	0.23%
10 Yr Treasury	0.70%
10 Yr Municipal	1.44%
High Yield	9.24%

YTD Market Returns:

Dow Jones	-23.20%
S&P 500	-20.00%
Nasdaq	-14.18%
MSCI-EAFE	-23.43%
MSCI-Europe	-24.81%
MSCI-Pacific	-21.13%
MSCI-Emg Mkt	-23.87%
US Agg Bond	3.15%
US Corp Bond	-3.63%
US Gov't Bond	3.37%

Commodity Prices:

Gold	1,590
Silver	14.14
Oil (WTI)	20.14

Currencies:

Dollar / Euro	1.12
Dollar / Pound	1.23
Yen / Dollar	107.81
Dollar / Canadian	0.70

Macro Overview

With the coronavirus continuing to wreak havoc on markets and economies worldwide, governments and businesses are confronting an unprecedented environment. In response, massive fiscal and monetary stimulus efforts put into motion by the administration and the Federal Reserve are expected to provide unparalleled economic stimulus.

The World Health Organization (WHO) declared the COVID-19 virus a pandemic on March 11th, sending global equities further down and ending the longest bull run in U.S. history. The 20% plus decline for all three major equity indices, from record highs set in mid-February, qualified the rapid descent as an end to the bull market that began in March 2009. The International Monetary Fund (IMF) determined that the global economy has fallen into a recession due to disrupted global supply chains and a drop in commerce induced by the virus outbreak. Economists believe that international markets may eventually rebound should governments around the world effectively mitigate contamination.

The $2.2 trillion stimulus plan passed by Congress, known as the Cares Act, was the largest in U.S. history, providing critical funds to small business owners and individuals nationwide. Massive federal borrowing will fund the program in the form of U.S. government debt issuance expected to exceed $2 trillion in short-term Treasury bills this year alone.

Many economists and market analysts view this pandemic as a health crisis at its core, not a financial crisis, which has preceded nearly all previous recessions. Atlanta Fed President Raphael Bostic said that "this is a public health crisis and different from a typical recession". Dallas Fed President Robert Kaplan expressed some optimism by commenting "we've got a great chance to come out of this very strong". Some view government restrictions and mandatory closures as the reason behind crippled businesses and the economic contraction, not the coronavirus itself.

It is too soon to determine as to what the overall impact will be to the multitude of industries and companies over the next few months. Globalization is in question as global commerce has dwindled due to supply chain constraints, along with varying rules and restrictions among countries involving cross-border transactions.

The Treasury Department and the IRS announced an extension of the tax filing deadline from April 15, 2020 to July 15, 2020. Taxpayers will be able to defer tax payments until July 15th, without any penalties and interest. The deferment applies to all taxpayers, including individuals, businesses, estates, and corporations.

A historical spike in unemployment claims of nearly 10 million was brought about by mass layoffs as governmental entities mandated business closures and restrictions across the country. The immense jump in unemployment claims over just two weeks may worsen, yet expected to be buffeted by funds targeted for the unemployed as a result of the $2.2 trillion stimulus plan. The plan also encourages small businesses to re-hire employees as conditions warrant. Personal and business bankruptcies are expected to rise dramatically as a result of government mandated shutdowns, which have halted incomes for employers and employees across the country.(Sources: IMF, WHO, Fed, Treasury, IRS, Dept. of Labor)

THE S&P 500 INDEX SAW ITS MOST VOLATILITY SINCE NOVEMBER 1929

Equities Technically End Eleven Year Bull Market Run – Domestic Stock Market Overview

Equity markets experienced volatility in March not seen since the 1930s, with daily declines so sharp that rarely-used mechanisms to halt trading were activated by the exchanges on multiple occasions. The S&P 500 Index saw an average daily change of 5.2% in March, the most extreme volatility since November 1929. Stocks fell into bear market territory and then out of it in technically the shortest bear market in history. The last time the Dow Jones Index went from its bear market low to a bull market in only three days was in October 1931. Stocks had their worst quarter in years, with the S&P 500 Index losing 20% for the quarter ending March 31st, and the Dow Jones Industrial Index surrendering 23%. The bull market that began in March 2009 officially came to an end in March, after an 11-year run. The Dow Jones Industrial Index went from its high on Feb 12th to bear market territory in only 19 trading sessions.

Number of Days From Recent High To Bear Market
Dow Jones Industrial Index

MARKET HIGH DATE	ENTER BEAR MARKET DATE	DECLINE
NOV 9, 1931	NOV 27, 1931	15
FEB 12, 2020	MAR 11, 2020	19
MAR 8, 1932	APR 5, 1932	23
SEPT 7, 1932	OCT 7, 1932	26
AUG 25, 1987	OCT 19, 1987	36

With massive stimulus plans now in place, the market's recovery has become contingent on the virus timeline for containment and effective testing. Analysts expect that once the virus outbreak has abated, any remaining stimulus efforts by the administration and the Federal Reserve will continue to act as a stimulus for the markets.

Signs of resilience at the end of March suggest that equities may regain their footing sometime soon. Overall valuations on stocks have fallen to levels that warrant accumulation of certain companies and industries. Eyes will be on earnings and quarterly performance releases over the next few weeks, as analysts determine how much of an impact the pandemic has thus had. (Sources: S&P, Dow Jones, Bloomberg)

Massive Stimulus Efforts Bring Yields To Historic Lows – Fixed Income Update

The Federal Reserve announced a reintroduction of its Quantitative Easing (QE) program to now include corporate bonds in addition to government agency and Treasury bonds. The program essentially entails the buying of an unlimited amount of bonds in the open market, thus stabilizing prices and volatile trading caused by a dislocation in the market. Intervention in the corporate bond market is an unprecedented action for the Federal Reserve, in addition to initiating programs to ensure sufficient access to credit for public and private entities such as cities, counties, municipalities, as well as corporations.

The incredible demand for short-term government bonds outstripped the supply of Treasury bills issued by the U.S. Treasury in mid-March. When demand exceeds supply by such an extent, short-term rates drop, in turn sending money market rates lower. Assets have been pouring into money market funds as market conditions created a rush away from volatility.

The Fed reduced its key lending rate to 0%-0.25% in March and announced that it would begin buying $700 billion in Treasury and mortgage bonds immediately. The Federal Reserve announced that it would also be buying selected corporate bonds and municipal securities in the open market in order to help stabilize broad fixed income sectors. Buying corporate and municipal bonds deviates from traditional Fed policies as a result of the current extraordinary conditions. (Sources: Federal Reserve, Treasury, Fitch)

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THE $2.2 TRILLION STIMULUS PLAN EQUATES TO 9% OF GDP, WHICH IS ROUGHLY $21 TRILLION

$2.2 Trillion Stimulus Plan Highlights For Individuals & Small Businesses

The passage of the $2.2 trillion stimulus plan, known as the Coronavirus Aid, Relief and Economic Security Act (Cares Act), provides critical funds to various sectors of the economy in the form of payments, tax breaks, loans, and subsidies to individuals and small businesses nationwide.

As the largest economic relief package in U.S. history, the $2.2 trillion stimulus plan equates to 9% of GDP, which is roughly $21 trillion. The primary goal of the stimulus program is to alleviate personal and business bankruptcies brought about by government mandated shutdowns and restrictions.

Stimulus Payments; $1,200 for each eligible taxpayer earning up $75,000. Joint filers will receive $2,400 earning up to $150,000, based on 2019 tax returns or 2018 if not already filed. Stimulus payment amounts decline as income levels rise. For filers with income above those amounts, the payment amount is reduced by $5 for each $100 above the $75,000/$150,000 thresholds. Single filers with income exceeding $99,000 and $198,000 for joint filers with no children are not eligible. Social Security recipients who are otherwise not required to file a tax return are also eligible and will not be required to file a return.

Unemployment; An additional $600 per week for four months for unemployment, in addition to any state unemployment benefit.

Retirement Plan Withdrawals; Withdrawals from IRAs and company sponsored retirement plans such as 401k plans will not be imposed

the 10% penalty up to $100,000 in distributions. The waiver applies to those who have been diagnosed with COVID-19 or have experienced financial hardship related to the virus through December 31, 2020. Distributions will still be taxable as income, but be spread out over three years.

401k Loans; The maximum 401k loan amount of $50,000 has been raised to $100,000 to accommodate larger loan needs. Loan limitations are based on 50% of a 401k account balance.

RMDs; Required Minimum Distributions (RMDs) on retirement accounts including IRAs have been waived for tax year 2020.

Mortgage Forbearance; Federally backed mortgage holders can forgo payments for six months under a forbearance program with no penalties or fees. A mortgage holder must be affected by COVID-19 and have approval from the lender.

Forecloses; All foreclosure proceedings are halted until May 18, 2020.

Student Loans; All federally-owned student loans will impose a 0% interest rate until September 30, 2020. Borrowers may also delay payments until September 30, 2020 via forbearance.

Paycheck Protection Program For Small Businesses;Lends up to $10 million to small businesses with fewer than 500 employees through the SBA. The allowable loan amount is calculated based on a company's average monthly payroll. The loan may be considered a grant since loans are expected to be forgiven if the funds are used for expenses such as payroll, mortgage interest payments, rent, and utilities. (Sources: IRS; irs.gov/newsroom/economic-impact-payments, TaxPolicyCenter)

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TAX FILING AND PAYMENT MOVED FROM APRIL 15, 2020 TO JULY 15, 2020

IRS Tax Filing Deadline Extended To July 15th – Tax Policy Update

The IRS has extended the tax filing and payment deadline from April 15, 2020 to July 15, 2020. The new extension deadline applies to individuals, fiduciaries (estate and trusts), small business owners, and corporations. Individuals do not need to be infected by the coronavirus or subject to quarantine in order to have the July 15th extension apply.

Taxpayers are also able to defer federal income tax payments and quarterly estimates due on April 15, 2020, to July 15, 2020, without penalties and interest, regardless of the amount owed. The deferment applies to all taxpayers, including individuals, trusts and estates, corporations and other non-corporate tax filers in addition to those who pay self-employment tax. For individuals contributing to an IRA or IRA Roth, an HSA or MSA, the deadline of July 15th applies.

There is no form required or need to contact the IRS in order to have the July 15 deadline honored. The traditional tax filing date for extensions of October 15th remains the same. The IRS does urge taxpayers due a tax refund to apply sooner than the deadline in order to receive a refund check sooner. (Source: IRS; irs.gov/coronavirus, TaxPolicyCenter)

Nearly 10 Million Claim Unemployment In Just Two Weeks – Labor Market Update

The sudden loss of jobs and mass layoffs by businesses nationwide has brought about the single largest increase in unemployment claims in the country's history. What should have been another average week for unemployment claims of roughly 243,000 based over the past five years, turned into 3.28 million people applying for unemployment for the week ending March 21st, and another 6.6 million for the week ending March 28th.

Unemployment claims and the unemployment rate is expected to only increase over the upcoming reporting periods. Optimistically, the 50-year low of 3.5% for unemployment is a buffer for the anticipated increase in unemployment. There are varying estimates as to how high the unemployment rate may go as a result of the virus outbreak and its economic aftermath. Some economists project 25% unemployment, which was last seen during the Great Depression, while others expect 10-15%. Regardless of how high unemployment heads, many believe that it will be short-lived as companies and small businesses are encouraged and financially incentivized by the Cares Act to re-hire employees.

The Federal Reserve is preparing for a worst case scenario, estimating a possible 30% unemployment rate as noted by St Louis Fed President James Bullard. The concern is that as unemployment rapidly increases, consumer confidence may fall to levels not allowing for a viable economic recovery. (Sources: Dept.of Labor, Federal Reserve)

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THE FLU WILL COST THE HEALTHCARE SYSTEM AND SOCIETY $11.2 BILLION THIS FLU SEASON

Equities Slump As Concern Elevates – Stock Market Overview

February saw stock valuations retreat to where they were in July and August 2019. Analysts believe that the pullback has helped identify several overvalued stocks. Valuations are considered to be more in line with historical standards relative to where they were at the beginning of the year. The final week of February saw all equity indices fall substantially. The S&P 500 Index slumped 11.49%, the Dow Jones Industrial Index fell 13.6%, and the tech-heavy Nasdaq Index gave up 10.54%.

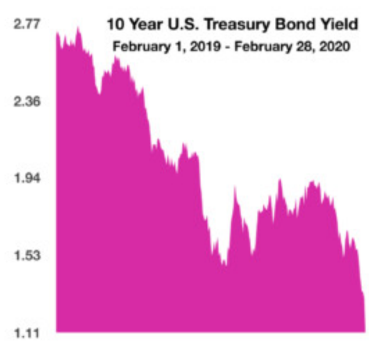
The pullback among all major equity indices has been one of the fiercest in market history, yet reigning in valuations that were considered lofty by many analysts. Fortunately, the stellar performance of the equity markets in 2019 is serving as a buffer for the dramatic pullback.

When U.S. equity markets fell 14% over two months in 2003 during the SARS outbreak, rates were much higher, with the 10-year Treasury yielding over 3.5%. The yield on the 10-year Treasury on Feb 28th at 1.13% is lower than the current S&P 500 Index yield for stock dividends at 1.97% on Feb 28th. Analysts view the yield difference as a benefit for stocks for yield seeking investors. (Sources: S&P, Dow Jones, Nasdaq, Bloomberg, U.S. Treasury)

Treasury Bond Yields Drop To Historic Lows – Fixed Income Update

Treasury bond yields traded at record low levels, driven by global investors seeking safe haven assets. All Treasury maturities yielded well below 2% at the end of February, lower than the Fed's inflation target of 2%. The dramatic drop in yields brought the 10-year Treasury bond yield to 1.13 % at the end of February, the lowest yield for the 10-year Treasury on record. An insatiable demand for global bonds brought yields lower across all bond sectors, elevating positive returns for bonds in nearly every sector thus far this year.

The Federal Reserve reduced the Fed Funds rate, a key monetary tool rate, following a rare emergency meeting. The rate reduction was made with hopes of stemming market uncertainty and shoring up liquidity for extended periods of volatility. The announcement triggered a drop in bond yields across various bond sectors. (Source: U.S. Treasury)

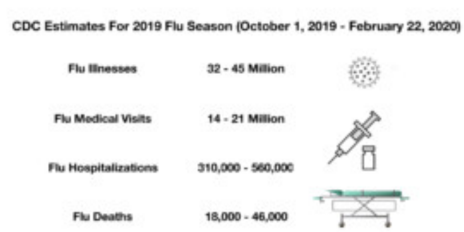


Economic Cost of The Flu – Domestic Economy

As a gauge of how a virus can affect the U.S. economy, the National Center for Biotechnology Information monitors and tracks the economic costs related to the flu every year.

The estimated average annual total economic burden of influenza, also known as the flu, to the healthcare system and society stands at $11.2 billion, which includes medical expenses such as hospitalization, physician visits, and vaccines.

A present concern with the coronavirus is the productivity costs associated with the loss of employee attendance, business travel restrictions, and amplified preventive measures. The flu virus has for decades inflicted companies in all industries with heightened productivity costs. (Source: https://www.ncbi.nlm.nih.gov/pubmed/29801998)



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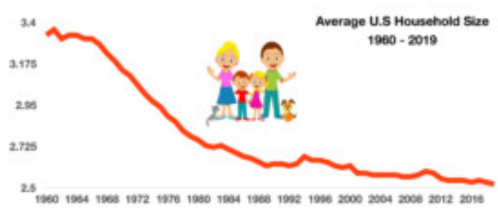
THE SARS VIRUS RESULTED IN 774 DEATHS IN 17 COUNTRIES

U.S. Household Size Shrinks – Demographics

Family size is shrinking in the U.S., with only 2.52 members per household on average in 2019, making it the smallest size ever in the country's history. Historical data tracked by the U.S. Census Bureau showed an average family size of 5 in 1880, double by today's standards. The decline in family size is believed to be attributable to various economic and social changes over the decades.

Roughly 63% of households in the U.S. consist of two or fewer family members. The Census Bureau also tracks family size by state. Utah has the largest household size at 3.12 family members, while Maine has the lowest at 2.28 members.



Smaller households materialized over the past 60 years, with one-person households accounting for 28.4% of the U.S. total in 2019, up from 13.1% in 1960. Households of four or more decreased from 40.2% in 1960 to 22.1% in 2019, nearly dropping in half. (Sources: U.S. Census Bureau, Historical Statistics of the United States)

Past Pandemics & What Came Of Them – Health Overview

Over the decades, pandemics have evolved and lasted for varying periods of time, yet always culminating with the containment and/or elimination of a virus. Should history repeat itself, a vaccine will eventually emerge to combat the COVID-19 virus, thus alleviating the threat of further immediate contamination.

Even though scientists have not identified how to stop a virus outbreak before it starts, advancements in medical technology over the past 17 years have drastically reduced the time it takes to develop and implement a vaccine after a new virus emerges.

The current coronavirus outbreak has been preceded by two similar outbreaks since 2003, Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS). SARs originated out of China in 2002, spread worldwide and was contained within a few months. The World Health Organization (WHO) tracks deaths related to pandemics globally. The organization found that the SARs virus resulted in 774 deaths in 17 countries. MERs, also known as the camel flu, resulted in 862 deaths.

Joint efforts among international governments and nonprofit research entities have allowed extended research on emerging infectious diseases worldwide. Several groups and scientists from various countries are already underway trying to develop a vaccine for COVID-19. (Sources: The National Center for Biotechnology Information, WHO)

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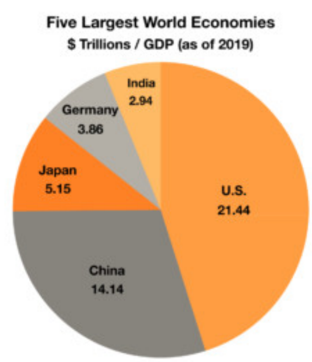
CHINA ACCOUNTS FOR ROUGHLY 16.3% OF GLOBAL GDP

China's Share In The Global Economy – Global Trade

The global spread of the coronavirus has affected consumers in countries across the globe, curtailing demand for products mainly manufactured in China. It is expected that as worldwide demand for Chinese products decreases, the country's primary economic component, manufacturing, will abate, thus hindering the country's economic expansion.



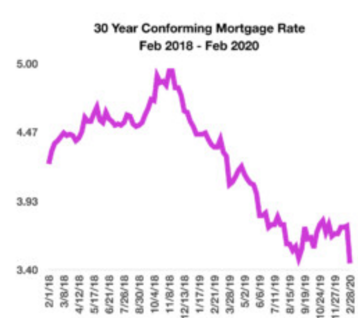
Based on 2019 data, the top five economies in terms of GDP are the U.S., China, Japan, Germany, and India. These five alone account for 55% of total global GDP of $86.31 trillion. China accounts for roughly 16.3% of global GDP. China is referred to as "the world's factory,"producing a broad range of items from shoes and socks to hammers and computers. The country's enormous manufacturing base allows it to export massive volumes of goods globally, meeting demand from nearly every consumer in the world. China has experienced exponential growth over the past few decades, from a GDP of $305 billion in 1980, to over $14 trillion this past year, making it the second largest economy after the United States. The difference in GDP between the two nations' economies has been shrinking over the years, as Chinese economic growth has consistently outpaced that of the United States. (Source: World Bank)

Sudden Drop In Mortgage Rates Spurs Housing Buffer – Housing Market Update

The abrupt drop in interest rates has brought about a boost to the housing market in the form of lower mortgage rates. The rate for a conforming 30-year loan fell to 3.45% at the end of February, nearly a full percentage point from a year earlier.

Falling interest rates have prompted an increase in mortgage activity as the cost to borrow for homebuyers has become less expensive. Mortgage rates fell in late February approaching the lows last seen in 2012, when the rate for a conforming 30-year loan was 3.37% in October 2012. The challenge for many homebuyers has been rising home prices and affordability throughout the country. Slow rising wages and stagnant incomes have, for the most part, not kept up with rising home prices. Even though mortgage rates have dropped, housing prices are still elevated to the levels that force many to wait or rent until housing prices drop.

Mortgages accounted for two-thirds of the $14 trillionin U.S. household debt in the last quarter of 2019.
Because they are typically paid off over decades, mortgage rates tend to be correlated with 10-year Treasury bond yields rather than with the short-term rates controlled by the Federal Reserve.
Sources: Federal Reserve Bank of St. Louis, Freddie Mac



RMDs Waived in 2020

- RMDs suspended for 2020
  - Includes IRAs, and defined contribution employer retirement plans, such as 401(k), 403(b), and governmental 457(b) plans
  - First-timers get to suspend delayed 2019 RMD as well as 2020!
  - Does NOT apply to defined benefit plans
- Also suspends RMDs that may have otherwise needed to be taken
  - Stretch IRA RMDs suspended as well!
    - 2021 RMD calculation does NOT change
  - 2020 ignored as a year for the 5-year rule!

RMDs Waived in 2020

- What if RMDs were *already* taken in 2020?
- Already-taken RMDs may be rolled over (back into the account)?
  - 60-day rollover (if applicable)
  - Rollover as a Coronavirus-Related Distribution(?)
  - No option to roll back for *beneficiary* RMDs from inherited accounts ☹

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Coronavirus-Related Distributions

- Up to $100,000 from (combination of) IRAs or employer plans
- Must be made *in* 2020
- Must be because:
  - Have been diagnosed with COVID-19
  - Have spouse/dependent diagnosed with COVID-19
  - Experience adverse financial consequences as a result of being quarantined, furloughed, being laid off, or having work hours reduced because of the disease, or
  - Are unable to work because they lack childcare as a result of the disease, or
  - Own a business that closed or operated under reduced hours b/c of the disease, or
  - Meet some other reason that the IRS decides to say is OK

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Coronavirus-Related Distributions

- Exempt from 10% early withdrawal penalty
- Not subject to mandatory withholding (from employer plan)
- Still taxable but income may be spread over 3 years
  - (Unless 2020 is a low-income year and client doesn't *want* to spread it out!)
- Eligible to be repaid over 3 years
  - Effectively a 'roll back' into the account

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Plan Loan Enhancements

- Must be impacted by COVID-19
  - Same qualifying conditions as Coronavirus-Related Distributions
- Maximum loan amount to $100,000
  - Typically capped at $50,000
- 100% of Vested Balance may be used
  - Typically limited to greater of $10,000 or 50% of vested balance
- Payments through year-end may be delayed 1 year
  - New or existing

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Changes To Charitable Contributions

- "Qualified Charitable Contribution"
  - Available for those who do not itemize (above-the-line deduction)
    - But *only* available for those who do *not* itemize and claim the standard deduction
  - Limited to $300
  - Must be made in cash
  - Must go directly to a 501(c)(3) charity
    - *Not* a donor-advised fund
    - *Not* a 509(a)(3) supporting organization

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Changes To Charitable Contributions

- AGI limit for charitable contributions temporarily repealed
  - Only applies to *cash* contributions
  - 2020 only
  - Effectively increases AGI limit from 60%-of-AGI to 100%-of-AGI
  - Again *must* go directly to a 501(c)(3) charity
    - *Not* a donor-advised fund
    - *Not* a 509(a)(3) supporting organization

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Deferral of Payment of Payroll Taxes

- Employers will be permitted to defer 2020 payroll taxes
  - 50% will be due on 12/31 of 2021
  - Remaining 50% will be due on 12/31 of 2022
- Applies to self-employed individuals as well (only 'employer' portion)
- Ineligible if business has had debt *forgiven* under
  - PPP

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Other Notable Tax Provisions

- Employers can exclude student loan repayments from compensation
  - Employers have through the end of the year to pay up to $5,250 for student debt purposes
    - Payments are excluded from employee income
    - Must still be coordinated with 'regular' $5,250 limit for tax-free education
- Definition of Medical Expenses expanded
  - Specifically for HSAs, Archer MSAs, and FSAs
  - Eligible medical expenses will now include Over-The-Counter (OTC) medication
  - Also expanded to include menstrual care products

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