



Financial Planning Tips

The CARES Act was signed into law on March 27, 2020. This Act, in response to the COVID-19 Pandemic, includes a number of important provisions, including changes related to retirement accounts and charitable contributions:

- **Retirement withdrawals** - The 10% early withdrawal penalty on IRA distributions for those 59 ½ or younger is waived for withdrawals up to \$100,000. The withdrawals are taxed, but the taxes are spread over three years unless the taxpayer “recontributes” the funds within that time period without affecting contribution limits. 401K/403b loan limits were also increased from \$50,000 to \$100,000.
- **Required Minimum Distributions (RMD)** - RMDs are suspended for 2020. If you received all or some of your RMD already, you may transfer the funds back to the IRA. For inherited IRA’s, if you haven’t yet received your RMD you may suspend the payment. If you already received the RMD, you cannot recontribute it.
- **Donation deductions** - Charitable contributions of cash up to \$300 are allowed as an above-the-line deduction, even for those who do not itemize. If you itemize, the cap of 60% of Adjusted Gross Income has been suspended for 2020.

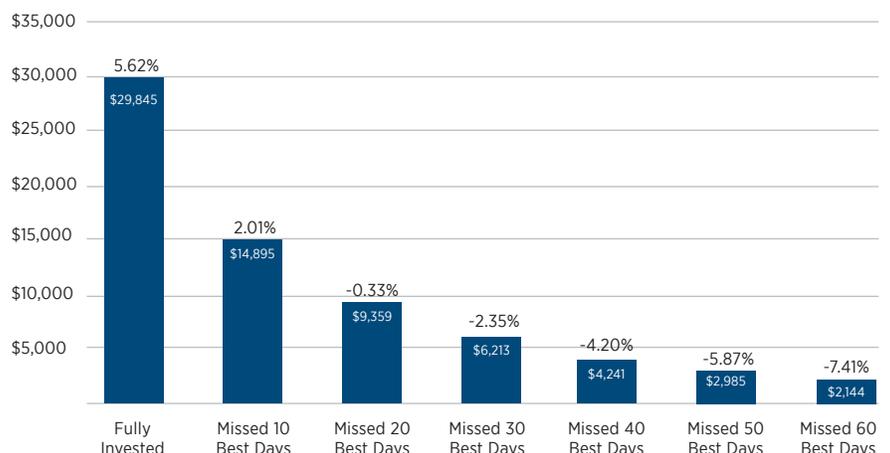
Supporting your needs - Please know our team is managing client accounts remotely during this time, and while we can’t meet with you in person, we are available by video and conference call any time you need to connect. We’re here to answer your questions and support you, as always.

Investing During the Age of COVID-19

Fears of COVID-19 and its global impact have triggered a market downturn that rivals 1987 and 2008 in terms of velocity and magnitude. The oil price war between Russia and Saudi Arabia further exacerbated the potential negative economic impact and downward pressure on equity markets. Given the unprecedented measures to limit the spread of the virus and flatten the curve, global economic growth will likely contract and lead to recession. While it is difficult to predict the duration and depth of the current pandemic’s impact on the economy, prior epidemics point to a downturn of a relatively transitory nature, followed by economic recovery.

It’s important to keep in mind that corrections are a process, and durable bottoms are typically formed over a four to six month period of choppy trading as bulls and bears struggle to make sense of the daily news flow. During turbulent markets, many investors are tempted to cash out and sit on the sidelines. We continue to caution against this investment strategy. As the chart indicates below, success for long term investing is not timing the market, but time in the market. If you missed just the 10 best days between January 1999 and December 31, 2018, your return would be cut by approximately 65%. That’s just missing the 10 best days out of 20 years. Additionally, many of the best days occurred within a few days of the worst days. Pinpointing the exact turnaround date

Returns of the S&P 500 Total Return



presents the average investor with a monumental challenge, where getting it wrong means leaving substantial returns on the table. It is far more prudent to remain invested in a well-diversified portfolio of quality stocks and bonds that help meet your goals and objectives.

Maine's New Probate Code

The new Maine Uniform Probate Code took effect on September 1, 2019. There are substantive changes that impact several areas of law, including the construction of wills and probate administration, as well as guardianships and conservatorships.

Construction of Wills

A major theme of the new law is an emphasis on the testator's intent. Previously, you could not look beyond the document to determine the intent of the testator. The new law allows consideration of a person's "intent" regarding the disposition of his/her estate outside of what is actually written in the will. The goal is to ensure the decedent's wishes are followed, although there is concern it may lead to increased litigation about what a person really intended.

The new law also recognizes that blended families are more common, and step-children now may have a statutory right to a share of a probate estate.

Elective Share

Surviving spouses have historically had a statutory right to a share of the decedent's probate estate, known as the "elective share." This calculation did not take into account the length of marriage. Under the new law, the elective share is now tied to the length of the marriage and is aimed at making sure spouses are not disinherited.

Non-Testamentary Transfers

The law covers not only wills, but also will substitutes, such as deeds, trusts, paid on death designations and beneficiary designation forms, all of which enable a person to transfer wealth outside of their will and the probate process.

Guardianships/Conservatorships

One of the biggest impacts of the law regards those potentially subject to a guardianship/conservatorship. The goal of the new law is to protect the civil rights of individuals who may be subject to an existing or proposed guardianship/conservatorship. The new rules have more notice requirements, and also put increased duties on those appointed as a guardian/conservator. One change requires court approval in order to sell an individual's residence. In addition, annual/interim reports are required to be filed with the court.

The impact of this law change is wide ranging. We can work with you and your attorney to ensure your estate plan fulfills your wishes and needs.

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Keep an eye out for scams

Cyber-criminals take advantage of uncertain times, leading to an increase in scam activity. There is already increased activity in phishing emails related to the CARES Act and SBA business loan programs. We encourage you to keep an eye out for any unusual emails or phone calls you receive. Please know that neither Camden National Wealth Management nor Camden National Bank will ever ask you to provide or verify your account numbers, username or password, secure access code, or full social security number. If you're ever in doubt, please feel free to contact us directly to confirm if an email, text, or call came from our team.



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Please Note: Later this summer, we will be relocating our Portland office just a few blocks down the road to Camden National Bank's renovated office and banking center at 2 Canal Plaza.