

News

IRS Gives “Inadvertent Benefit Overpayments” Their First Round of Guidance

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Section 301 of the Setting Every Community Up for Retirement Enhancement (“SECURE”) 2.0 Act (Pub. L. 117-328) grants plan sponsors flexibility in correcting “inadvertent plan overpayments,” which includes allowing participants to keep the overpayments without the plan sponsor having to make the plan whole. It also permits certain overpayments to be treated as eligible rollover distributions, which helps avoid the 6% annual excise tax for amounts inadvertently rolled over to an individual retirement account (“IRA”) and having to correct the Form 1099-R.

In this *TAXES – The Tax Magazine* article, “IRS Gives ‘Inadvertent Benefit Overpayments’ Their First Round of Guidance,” Groom principals [Elizabeth Thomas Dold](#) and [David Levine](#) delve into the newly issued guidance on inadvertent benefit overpayments. They discuss its implications for plan sponsors and outline practical next steps to navigate the updated regulations effectively.

To read the article, [click here](#).