

News

IRS Issues Interim Guidance on “Inadvertent Benefit Overpayments”

ATTORNEYS & PROFESSIONALS

Elizabeth Thomas Dold

edold@groom.com

202-861-5406

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Section 301(b) of Division T of the Consolidated Appropriations Act, 2023 [Pub. L. 117-328, 136 Stat. 4459 (2022) (SECURE 2.0 Act)] provided important correction relief for certain qualified plan overpayments. In short, the relief generally permits a qualified plan to allow participants to retain inadvertent benefit overpayments without the employer needing to make a corrective payment to the plan (or adopt a plan amendment). Moreover, certain overpayments are treated as eligible rollover distributions, so that amounts placed in an individual retirement account (IRA) or another qualified plan can remain there. Notice 2024-77 provides, in question and-answer format, important clarifications regarding the scope of this relief, and the impact on existing Revenue Procedure 2021-30 (“EPCRS”), which has a number of safe harbor provisions for correcting defined contribution and defined benefit overpayments.

In this *Journal of Pension Benefits* article, “IRS Issues Interim Guidance on ‘Inadvertent Benefit Overpayments’” Groom principal [Elizabeth Thomas Dold](#) summarizes the interim guidance and its impact on EPCRS, along with key next steps for plan sponsors to consider.

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