

Publications

Minimum Required Distribution Regulations Get a New (but still Complex) Look

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The anticipated proposed regulations on required minimum distributions (“RMD”) have been issued, along with updated eligible rollover distribution regulations. These rules, set forth under Internal Revenue Code (“Code”) section 401(a)(9), dictate when benefits must commence to participants and their beneficiary(ies)—replacing the well-known age 70½ outside age limit with age 72 for certain participants, and generally shortening the period over which beneficiaries may take payments from a qualified plan. These proposed regulations reflect the major changes made under the Setting Every Community Up for Retirement Enhancement Act of 2019 (“SECURE Act”), which were largely effective beginning in 2020.

The entire line of regulations [Treasury Regulation sections 1.401(a)(9)-0 through 1.401(a)(9)-9] has been rewritten to reflect the SECURE Act changes, and to eliminate the current Q&A structure of the regulations that has been in place for over 20 years. Moreover, the corresponding regulations for other types of plans that also are subject to RMD rules also were similarly updated. This includes IRAs, 403(b)s, and 457(b) plans. [87 Fed. Reg. 10504 (February 24, 2022).]

The proposed regulations are subject to public comments through May 25th, and a hearing is set for June 15. The timing on final regulations may depend on the extent of the comments, and whether the plan amendment deadline for adopting these SECURE Act changes gets extended (currently due by the end of the 2022 plan year).

Historically, these RMD rules follow model Internal Revenue Service (“IRS”) amendments, but no amendments have been provided to date. Notably, these rules provide a reasonable, good faith compliance standard for 2021 (and presumably that same standard would have been extended to 2020 when these rules generally first came into play, but we had a RMD waiver for 2020).

In this *Journal of Pension Benefits* article, Groom principal [Elizabeth Dold](#) summarizes key changes for defined contribution and defined benefit plans.

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