

IRS: Retirement Plan Distributions are Taxable Even if a Participant Refuses to Cash a Distribution Check

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In Revenue Ruling 2019-19, the IRS clarified that a plan participant's refusal to cash a distribution check after she received it does not (i) permit her to exclude the amount of the distribution from her taxable income, (ii) alter her employer's duty to withhold all applicable taxes from the distribution, or (iii) alter her employer's duty to report the taxable income on a Form 1099-R. While this Revenue Ruling addresses the treatment of plan distributions when a participant receives, but refuses to cash, a distribution check, the ruling does not address other situations in which a distribution check is not cashed, such as in the case of missing participants. The ruling states that the IRS and Treasury are continuing to analyze such issues and may publish related guidance in the future. Revenue Ruling 2019-19 is available [here](#).