

IRS Issues Final and Proposed Regulations on Required Minimum Distributions

July 23, 2024

PRACTICES Employee Benefits and Executive Compensation

On July 19, 2024, the IRS issued a final rule on required minimum distributions that reflects changes made by the SECURE Act and the SECURE 2.0 Act impacting retirement plan participants, IRA owners, and their beneficiaries. The new rule generally follows the proposed regulations, including the proposed ten-year rule which provides that a distribution of the participant's entire interest must be made to a designated beneficiary who is not an eligible designated beneficiary within ten years after the death of the participant, regardless of whether the owner died before reaching his or her required beginning date.

The IRS concurrently issued proposed rules addressing remaining updates to the required minimum distribution rules due to the SECURE 2.0 Act. The proposed rules address the following issues:

- Determination of Applicable Age for Employees Born in 1959;
- Purchase of Annuity Contract with Portion of Employee's Individual Account—Rules of Operation for Aggregation Option;
- Distributions from Designated Roth Accounts;
- Corrective Distributions Giving Rise to Reduction or Waiver of the Section 4974 Excise Tax;
- Spousal Election under Section 327 of the SECURE 2.0 Act;
- Divorce after Purchase of Qualifying Longevity Annuity Contract; and
- Outright Distribution to Trust Beneficiary.

The final regulations are available [here](#), and the proposed regulations are available [here](#).