

# IRS Issues Guidance on Reporting and Withholding for Replacement Distribution Checks

---

July 22, 2025

---

**PRACTICES** Employee Benefits and Executive Compensation

---

In Revenue Ruling 2025-15, the IRS explained how a plan administrator of a tax-qualified retirement plan should report and withhold from a replacement distribution check if the original distribution check was uncashed and cancelled. The reporting and withholding requirement for the replacement distribution check will depend on whether the participant's accrued benefit increased, decreased, or remained the same between the issuance of the original distribution check and the issuance of the replacement distribution check.

For purposes of illustrating how the guidance would work, assume for illustration purposes that the original attempted distribution was properly reported on Form 1099-R in the year the original check was issued and the correct amount of tax was withheld:

- **Increase:** Generally, if the participant's accrued benefit increased, then an additional Form 1099-R should be issued in the year the replacement check is issued *for the amount of the increase* (if at least \$10). Additional withholding is required for the amount of the increase in benefit. Any increase of less than \$10 is not required to be reported.
- **Decrease.** Generally, if the participant's accrued benefit decreased, the withholding obligation is treated as having been satisfied. No refund or adjustment is permitted, and no additional reporting is required when the replacement check is issued.
- **No Change.** Generally, if the participant's accrued benefit remained the same, then no additional withholding or reporting is required when the replacement check is issued.

Revenue Ruling 2025-15 is available [here](#).