

IRS Reminder: Take your RMD by December 31st

December 20, 2024

PRACTICES Employee Benefits and Executive Compensation

The IRS recently issued a news release with a reminder that required minimum distributions (“**RMDs**”) should be on the year-end checklist for retirement plan participants aged 73 and older.

The RMD rules generally apply to all employer-sponsored retirement plans, including profit-sharing plans, 401(k) plans, 403(b) plans, and 457(b) plans, as well as traditional IRAs and IRA-based plans. Account owners who are not eligible to delay their RMD for 2024 must withdraw the full amount by December 31st or otherwise face excise tax penalties of up to 25% of the amount not withdrawn.

Plan administrators and IRA trustees must either report the 2024 RMD amount to the account owner or offer to calculate it.

The IRS news release is available [here](#).