

Required Minimum Distributions Resume December 31st

December 17, 2021

The IRS recently issued a news release reminding retirement plan participants that required minimum distributions ("**RMDs**") must be made by December 31st. RMDs are minimum amounts that must be distributed to a retirement plan participant each year beginning with the year in which such participant attains age 72 (age 70½ if the participant attained 70½ before January 1, 2020) or, if later, the year in which the participant retires. If the participant is a 5% owner of the employer sponsoring the retirement plan, RMDs must begin once the participant attains age 72 (or 70½ if the participant attained age 70½ before January 1, 2020), regardless of retirement status. The CARES Act waived the RMD requirement for 2020, including the RMD that was payable on or before April 1, 2021, for a participant with a required beginning date of April 1, 2021. A participant who attained age 70½ in 2019 (the participant's 70th birthday was June 30, 2019 or earlier) whose RMD was waived for 2020 is required to receive an RMD by December 31, 2021. In addition, a participant who attained age 72 on or after July 1, 2021 must receive an initial RMD by April 1, 2022.

Some plan sponsors have elected to retain an earlier benefit commencement date based on attainment of age 70½. Plan sponsors of retirement plans that retained the age 70½ requirement are still required to make distributions in accordance with the terms of the underlying plan. Such distributions made before a participant's required beginning date should be treated as normal distributions and not as RMDs under the Code (*i.e.*, the distributions are not subject to the 50% excise tax if the distribution is inadvertently missed).

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