



Required Minimum Distribution Age Raised from 70½ to 72

Before January 1, 2020, participants in employee-provided retirement plans and IRA owners were generally required to begin taking required minimum distributions (RMDs) from their plan by April 1 of the year following the year they reached age 70½ (“required beginning date”). For employee-provided retirement plans, non-5% owners could delay taking an RMD until April 1 of the year following the year they retire, and 5% owners had to begin taking RMDs by April 1 of the year following the year they turned 70 ½, even if they were still working. The Act’s Committee Report mentions that the age 70½ requirement was first applied in the retirement plan context in the early 1960s and has not been adjusted to account for increases in life expectancy.

If an employee died before having to take an RMD, and the plan’s designated beneficiary was the employee’s spouse, then the designated beneficiary could delay taking an RMD until the year the deceased spouse would have turned 70½.

The SECURE Act provides that for distributions required to be made after Dec. 31, 2019, with respect to individuals who attain age 70½ after that date, the Act increases the RMD ages from 70½ to 72 for all the purposes mentioned above.

Questions?

If you have any questions, please contact **David DeJarnett**, leader of the Bowles Rice Tax Team, at **(304) 264-4232**.

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