

Spring, 2024

**WHAT'S MY REQUIRED BEGINNING DATE?
ANSWER: IT DEPENDS!**

The SECURE 2.0 Act of 2022 was a game-changer in many respects for qualified retirement plans and individual retirement accounts (IRAs). Among other things, SECURE 2.0 changed the required minimum distribution (RMD) age from 72 to 73.

If you are approaching RMD age at this time, you will need to navigate a potentially tricky transition period:

- If you attained age 72 in 2022 (you were born in 1950), you were required to take your first RMD by April 1, 2023 (your required beginning date or RBD).
- If you attained age 72 during 2023 (you were born in 1951), you can skip taking an RMD for 2023.
- If you attain age 73 during 2024 (you were born in 1951), you are required to take your first RMD by April 1, 2025 (your RBD).
- If you attain age 73 in 2025, your RBD is April 1, 2026.
- Thereafter, your RBD will be April 1 of the year following your attainment of age 73.

If you take your first RMD in the year of your RBD, you will need to take a second RMD during that same year.

Example: If you attain age 73 in 2024 and take your 2024 initial RMD on your RBD of April 1, 2025, you will need to take your 2025 RMD by December 31, 2025.

While the RMD rules also apply to IRAs, there are some important differences between qualified plans and IRAs. RMD amounts need to be calculated separately for each qualified retirement plan and distributed separately from each such plan. By contrast, someone who has multiple IRAs can aggregate the balances in all of their IRAs and withdraw the total required amount from any one or more of the IRAs. Another important difference is that in the case of a qualified retirement plan, no RMD is required for a non-owner employee until after the employee terminates employment. This rule does NOT apply to IRAs.

For those amateur tax historians, RMDs were first enacted with ERISA back in 1974 to prevent taxpayers from accumulating tax-deferred retirement savings indefinitely. From that time all the way to the enactment of the first SECURE Act in 2019, the RMD age was 70½. The RMD ages as amended by the SECURE Act and SECURE 2.0 are:

If you were born:	Your RMD age is:
Before July 1, 1949	70½
On or after July 1, 1949, but before January 1, 1951	72
On or after January 1, 1951, but before January 1, 1960	73
On or after January 1, 1960	75

Please note that the CARES Act permitted RMDs from defined contribution plans and IRAs that were payable in 2020, including if your initial RMD year was 2019, to be waived.

Example: If you attained age 70½ in 2019 and waited until 2020 to take your first RMD (your RBD was April 1, 2020), the RMD waiver allowed you to take your first RMD by December 31, 2021, and you would not have had to take your second RMD until 2022.

If you have any questions concerning the new RMD age and transition period, or would like our assistance in determining any RMDs, please contact Andy Roth, ARoth@dmlawyers.com or (914) 220-8033, or your regular plan consultant.