



ROLLOVER RELIEF FOR REQUIRED MINIMUM DISTRIBUTIONS

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In [Notice 2020-51](#), the IRS provides relief for taxpayers who had already taken required minimum distributions (RMDs) in 2020 before the Coronavirus Aid, Relief, and Economic Security (CARES) Act, suspended the RMD requirement for 2020 in response to the coronavirus pandemic and its effect on taxpayers and the stock market. Taxpayers who already took an RMD in 2020 from certain retirement accounts now have the opportunity to roll those funds back into a retirement account. To give taxpayers time to take advantage of this opportunity, the 60-day rollover period for any RMDs already taken this year has been extended to Aug. 31, 2020.

The IRS's announcement came one week after the [AICPA recommended](#) that the IRS should allow taxpayers that had already withdrawn RMDs (including from inherited IRAs) in 2020 to return the RMD into the account.

The CARES Act enabled any taxpayer with an RMD due in 2020 from a defined contribution retirement plan, including a 401(k) plan, 403(b) plan, or an IRA, to skip those RMDs this year. This includes anyone who turned age 70½ in 2019 and would have had to take their first RMD by April 1, 2020, under the law in effect before the enactment of the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, enacted on Dec. 20, 2019, as Division O of the Further Consolidated Appropriations Act, 2020. The waiver of RMDs does not apply to defined benefit plans.

In addition to the rollover opportunity, an IRA owner or beneficiary who has already received a distribution from an IRA of an amount that would have been an RMD in 2020 can repay the distribution to the IRA by Aug. 31, 2020. This repayment is also not subject to the one rollover per 12-month period limitation and the restriction on rollovers for inherited IRAs.

The notice provides two sample amendments that employers may use to give plan participants and beneficiaries whose RMDs are waived a choice of whether to receive the waived distribution, as well as 12 Q&As providing guidance about other issues related to the relief. Q&A-3 in the notice modifies Notice 2007-7, so that, if an employee died in 2019, a nonspouse designated beneficiary has until the end of 2021 to make a direct rollover and use the life expectancy rule.