

MEMO# 32170

January 23, 2020

ICI Sends Letter to Treasury and IRS Seeking Guidance on SECURE Act

[32170]

January 23, 2020 TO: ICI Members
Bank, Trust and Retirement Advisory Committee
Broker/Dealer Advisory Committee
Pension Committee
Pension Operations Advisory Committee
Small Funds Committee
Transfer Agent Advisory Committee SUBJECTS: Pension
Tax RE: ICI Sends Letter to Treasury and IRS Seeking Guidance on SECURE Act

ICI submitted the attached letter to Treasury and IRS requesting guidance and relief relating to the Setting Every Community Up for Retirement Enhancement Act (the “SECURE Act”), which was enacted on December 20, 2019 and makes several changes to the rules for retirement plans and IRAs.[\[1\]](#) In the letter, we request guidance and/or relief needed as a result of certain provisions becoming effective within days after enactment. The letter focuses on the following provisions:

- increased age for beginning required minimum distributions (RMDs) (§114);
- repeal of the maximum age for making traditional IRA contributions (§107);
- changes to the RMD rules for designated beneficiaries (§401);
- exception from the early distribution penalty for qualified birth or adoption distributions (§113); and
- increased cap on deferrals under the automatic contribution safe harbor (§102).

Each of these provisions became generally effective, for certain individuals or plans, beginning on January 1, 2020. While many of the provisions also raise interpretive questions that will need guidance (several of which are noted in the letter), this letter focuses on the implications of the changes becoming effective before service providers realistically are able to make systems changes to comply. We expect to follow up with additional letters to regulators on these and other provisions, as members further consider the issues needing guidance.

In addition to guidance on specified provisions, our letter recommends that Treasury and IRS confirm that, in the absence of specific guidance, plan and IRA service providers can rely on a reasonable, good faith interpretation of the SECURE Act changes under the tax code.

Elena Barone Chism
Associate General Counsel - Retirement Policy

[Attachment](#)

endnotes

[1] The SECURE Act (H.R. 1865) is *available at* https://www.appropriations.senate.gov/imo/media/doc/H1865PLT_44.PDF. For a summary of the SECURE Act, see ICI Memorandum No. 32118, dated December 20, 2019. Available here: https://www.ici.org/my_ici/memorandum/memo32118

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