

**MEMO# 34160**

May 25, 2022

# **ICI Submits Comment Letter Regarding Proposed Regulations on Required Minimum Distributions from Retirement Plans**

[34160]

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TO: ICI Members

Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension

Tax RE: ICI Submits Comment Letter Regarding Proposed Regulations on Required Minimum Distributions from Retirement Plans

ICI sent the attached comment letter to the IRS and Treasury, responding to the notice of proposed rulemaking[\[1\]](#) that would amend the regulations governing required minimum distributions (RMDs) from retirement plans and IRAs to reflect changes made by the Setting Every Community Up for Retirement Enhancement Act (the SECURE Act) of 2019 and other legislation over the years.[\[2\]](#)

Our comments and recommendations include the following:

- Applicability Dates and Plan Amendment Deadlines. Provide relief as soon as possible by delaying the applicability date of the amended regulations and the deadline for plan amendments. (Section 1)
- 10-Year Rule for Designated Beneficiaries - Continued Application of "At Least as Rapidly" Rule. Reverse the proposed interpretation that would apply the "at least as rapidly rule" simultaneous with the new 10-year rule for designated beneficiaries when the employee dies after the required beginning date. (Section 2.1)
- Application of New 10-Year Rule Upon Death of Oldest Beneficiary. Reconsider the "death of oldest beneficiary" trigger for application of the 10-year rule, which is proposed to apply in certain situations involving multiple beneficiaries. (Section 2.2)
- Eligible Designated Beneficiary Status - Documentation of Disability or Chronic Illness. Modify the proposal to allow plans and IRA providers to rely on a beneficiary's representation that he or she satisfies the definition of disabled or chronically ill. (Section 3.1)
- Eligible Designated Beneficiaries Who Are Older Than Account Owner. Eliminate the

proposed rule that would require full distribution to a beneficiary who is older than the account owner when the beneficiary's remaining life expectancy is less than or equal to one. (Section 3.2)

- IRAs - Time Limit for Spousal Election and Recapture of Hypothetical RMDs. Eliminate the proposed rule that would deny eligible rollover treatment for certain distributions that hypothetically would have been treated as RMDs, when the spouse elects to roll over amounts after missing the deadline for electing to treat the IRA as the spouse's own. (Section 4)
- Request for Comments on 403(b) Plans. Structural and administrative differences between 403(b) and tax-qualified 401(a) plans would make application of the tax-qualified plan RMD rules unworkable. (Section 5)

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#### **endnotes**

[1] For background and a description of the proposal, see ICI Memorandum No. 34057, dated March 4, 2022, available at <https://www.ici.org/memo34057-0>. The proposed regulations are available here: <https://www.govinfo.gov/content/pkg/FR-2022-02-24/pdf/2022-02522.pdf>. See 87 Fed. Reg. 10504 (February 24, 2022).

[2] For more background on the SECURE Act, see ICI Memorandum No. 32118, dated December 20, 2019, available at <https://www.ici.org/memo32118>.

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