

**MEMO# 35197**

March 20, 2023

## **IRS Provides RMD Reporting Relief for 2023 to IRA Providers in Connection with SECURE 2.0 Act**

[35197]

March 20, 2023

TO: Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension

Tax RE: IRS Provides RMD Reporting Relief for 2023 to IRA Providers in Connection with SECURE 2.0 Act

On March 7, 2023, the Internal Revenue Service (IRS) issued Notice 2023-23,[\[1\]](#) providing relief (as requested by ICI) with respect to incorrect required minimum distribution (RMD) notices provided to IRA owners who turn 72 in 2023. As you know, section 107 of the SECURE 2.0 Act[\[2\]](#) raised the age for beginning RMDs from retirement accounts from age 72 to 73, effective for distributions required to be made after December 31, 2022 with respect to individuals who will attain age 72 after that date. Therefore, an individual turning age 72 in 2023 would not have an RMD due for 2023. As you know, IRA providers generally must provide an RMD statement to an IRA owner by January 31 of the year for which an RMD is due.

Because the legislation was enacted so close to year-end, the IRS recognizes that financial institutions had a short turn-around time to change their systems for furnishing the RMD statement. In recognition of the timing concerns, the Notice provides the following guidance and relief with respect to 2023 RMD statements:

- If a financial institution provides an RMD statement to an IRA owner who will attain age 72 in 2023, then the IRS will not consider such a statement to have been provided incorrectly, but only if the IRA owner is notified by the financial institution no later than April 28, 2023, that no RMD is required for 2023.
- For IRA owners who will attain age 72 in 2023, the 2022 Form 5498 should not include a check in Box 11 (RMD required) or entries in Box 12a (RMD date) or 12b (RMD amount).

This relief is similar to the relief provided in Notice 2020-6 with respect to the prior RMD age increase in 2020 enacted under the SECURE Act of 2019.[\[3\]](#) Also consistent with that 2020 relief, Notice 2023-23 notes that the SECURE 2.0 Act did not change the required

beginning date for IRA owners who attained age 72 prior to January 1, 2023 and it encourages all financial institutions, in communicating these RMD changes, to remind IRA owners who attained age 72 in 2022, and have not yet taken their 2022 RMDs, that they are still required to take those distributions by April 1, 2023.

Finally, the Notice does not indicate whether Treasury and the IRS are considering additional guidance with respect to 2023 RMDs. However, ICI has urged Treasury and the IRS to provide additional guidance modeled on guidance issued in 2020 relating to distributions originally intended and/or treated as RMDs under the previously-applicable required beginning date.<sup>[4]</sup>

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#### Notes

[1] Notice 2023-23 is available at <https://www.irs.gov/pub/irs-drop/n-23-23.pdf>.

[2] For an overview of the SECURE 2.0 Act, see ICI Memorandum No. 34795, dated January 12, 2023, available at <https://www.ici.org/memo34795>.

[3] For a summary of Notice 2020-6, see ICI Memorandum No. 32181, dated January 28, 2020, available at <https://www.ici.org/memo32181>.

[4] Specifically, ICI requested additional guidance similar to the guidance provided under Notice 2020-51. For an overview of Notice 2020-51, see ICI Memorandum No. 32556, dated June 26, 2020, available at <https://www.ici.org/memo32556>.