

Suspension of IRA Minimum Distribution requirements for 2009

Treasury announced late last week that it will NOT provide regulatory relief for 2008 Required Minimum Distributions (RMDs). Earlier this month, Congress passed legislation (H.R.7327) waiving the distribution requirements for next year and there had been some hope that Treasury would provide limited relief for this tax year. That will not be the case.

In a letter to the House Education and Labor Committee the Treasury Department stated:

The Treasury Department and the Internal Revenue Service have determined that any further change to the required minimum distribution rules should not be undertaken. The scope of Treasury's ability to make administrative changes has constraints. Thus, any steps Treasury could take would be substantially more limited than the relief enacted by Congress and could not be made available uniformly to all individuals subject to required minimum distributions. In addition, implementation of such changes would be complicated and confusing for individuals and plan sponsors. Thus, all individuals who are subject to required minimum distributions for 2008 should take their distribution under the existing rules and, as a result of relief provided by Congress, they will be entitled to a complete waiver of the requirement to take any distributions for 2009.

H.R. 7327, which waives next year's (i.e., 2009) distribution requirements, passed the House on Dec. 10, the Senate Dec. 11, and is expected to be signed by President Bush before the end of the year.

Visit the U.S. Senate Committee on Finance for a summary of this legislation.

[http://finance.senate.gov/sitepages/leg/LEG_2008/121208_Worker, Retiree, and Employer Recovery Act of 2008 Summary.pdf](http://finance.senate.gov/sitepages/leg/LEG_2008/121208_Worker,_Retiree,_and_Employer_Recovery_Act_of_2008_Summary.pdf)