**IRS Practitioner Panel**

**February 24, 2023**

**SECURE 2.0 – IRAs and Required Minimum Distributions**

**Background**

• Important provisions for many taxpayers and rules are complex.

• Section 107 provides for increase in beginning RMD age to 73 in 2023 and 75 in 2033.

• IRS Notice 2020-6 and 2020-51 providing relief to financial institutions when RMD age was raised in Secure 1.0.

• Secure 1.0 eliminated the stretch IRA for certain beneficiaries and, at the same time created five classes of Eligible Designated Beneficiaries.

• Proposed Regulations clarified the 10- year rule (or caused more confusion). IRS Notice 2022-53 waived the excise tax penalty for missed 2021 and 2022 missed RMDs.

• Section 305 directs the IRS to expand EPCRS to IRAs within 2 years of enactment.

**Questions/Comments**

• We assume a technical correction will clarify the age 73 and 75 RBDs.

• Guidance is recommended to clarify issues relating to individuals turning 72 in 2023 similar to previous guidance. Guidance can include relief for financial institution that provided incorrect information; an extension of the 60 day rollover and ability to repay the RMD.

• Will Final Regulations be issued shortly clarifying the 10 year rule, the status of 2021 and 2022 missed RMDs, the calculation of future RMDs under the 10 year rule and any other clarifications needed among the statutes, proposed regs and publications

• In expanding the EPCRS to IRAs, consideration may be given to (even more) reduced excise taxes under SCP.

• In general, simplification is suggested in distribution arena.

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