



The 10-Year Rule for Required Minimum Distributions in 2025

The Internal Revenue Service (IRS) expects to issue final regulations under Section 401(a)(9) of the Internal Revenue Code for determining required minimum distributions (RMDs) beginning in 2025. Until then, the IRS has extended the relief previously provided to defined contribution plans and beneficiaries for certain RMD failures by issuing [Notice 2024-35](#).

Qualified plans are required to make RMDs to participants by their required beginning date. Plans are also required to make RMDs to beneficiaries if the participant dies before his or her required beginning date. Code Section 401(a)(9) defines the required beginning date for RMDs and the period over which the participant's entire benefit must be distributed.

Prior to passage of the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE 1.0), if a participant died before his or her RMDs began, the participant's entire benefit generally had to be distributed to his or her beneficiary either within five years after the participant's death, or over the life or life expectancy of the participant's designated non-spouse beneficiary. These two payment rules are commonly referred to, respectively, as the "five-year rule" and the "life-expectancy rule," with special rules applying if the participant's beneficiary is the surviving spouse. Distributions under the five-year rule generally could be delayed until the end of the five-year period, whereas distributions under the life-expectancy rule were required to begin no later than one year after the participant's death.

In addition to increasing the RMD age from age 70.5 to age 72, SECURE 1.0 eliminated post-death distributions under the life expectancy rule for most defined contribution plan beneficiaries. Rather than stretching post-death distributions under the life-

expectancy rule, SECURE 1.0 generally requires defined contribution plans to distribute a participant's entire benefit within 10 years after the participant's death. This payment rule is commonly referred to as the "10-year rule" and applies for participants who die after December 31, 2019. SECURE 1.0 includes an exception to the 10-year rule for beneficiaries who qualify as eligible designated beneficiaries, as defined under the Code.

The IRS issued proposed RMD regulations in 2022 to implement the SECURE 1.0 changes. Unlike the pre-SECURE Act five-year rule, however, the proposed regulations generally require RMDs under the 10-year rule to begin the year after the participant's death. Because under the 5-year rule beneficiaries could delay RMDs until the end of the five-year period, many service providers and beneficiaries assumed that RMDs could similarly be delayed under the 10-year rule. They were surprised by the RMD commencement requirement under the 10-year rule and expressed concerns during the regulatory comment period about the timeliness of RMDs under the 10-year rule.

The IRS previously issued Notice 2022-53 and Notice 2023-54 in response to these concerns. Under the Notices, the IRS provided temporary relief to defined contribution plans and beneficiaries in connection with RMD failures under the 10-year rule for distributions that should have been made in 2020 through 2023. By issuing Notice 2024-35, the IRS has extended this relief to RMDs that should have been paid to beneficiaries under the 10-year rule in 2024. As a result, the IRS will not treat defined contribution plans as failing to satisfy Code Section 401(a)(9) and will not assert an excise tax on beneficiaries for RMDs that should have been paid under the 10-year rule in 2020 through 2024.

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