

Publications

IRS Extends Anticipated Effective Date for Certain 2024 Proposed RMD Rules Until 2026

ATTORNEYS & PROFESSIONALS

Kim Bobergkboberg@groom.com

202-861-2606

Elizabeth Thomas Doldedold@groom.com

202-861-5406

Louis T. Mazaweylmazawey@groom.com

202-861-6608

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Last year, the IRS issued its long-anticipated final (and newly proposed) regulations to address SECURE 1.0 and 2.0 Act changes to the required minimum distribution (“RMD”) rules (Code section 401(a)(9)). The 2024 proposed regulations addressed a number of important changes made under SECURE 2.0, and were scheduled to become effective at the same time as the final regulations – generally January 1, 2025. Recently, the [IRS Announcement 2025-2](#) (Dec. 18, 2024) extended the effective date for some of these key changes until January 1, 2026.

The changes addressed in the proposed regulations included:

- **Required Beginning Date (1.401(a)(9)-2).** The required beginning date for those born in 1959 is based on an applicable age of 73.
- **Spousal Election (1.401(a)(9)-4, -5).** Provides details regarding the special spousal election under SECURE 2.0 for the spouse to elect to be treated as the participant – including, extending commencement of distributions until the participant would have reached their required beginning date, and using the Uniform Lifetime Table to calculate required minimum distributions.
- **Partial Annuity (1.401(a)(9)-5).** Clarifies the calculation of the optional partial annuity aggregation rule that allows an annuity to be converted into an account balance and for annuity payments to offset the required minimum distributions.
- **Roth Accounts (1.401(a)(9)-5).** Addresses distributions from designated Roth accounts that are not subject to lifetime RMD payments, with the main question being the treatment of the Roth account after death when the participant has both pre-tax and Roth balances.
- **Corrective Distributions (1.401(a)(9)-5, 1.408-8).** Clarifies the treatment of corrective distributions of missed RMD payments.
- **QLAC (1.401(a)(9)-6).** Addresses divorce after the purchase of a QLAC (qualified longevity annuity contract).

- **Trust Beneficiary (1.401(a)(9)-8).** Provides relief for see-through trusts that are divided immediately upon death into separate interests for each beneficiary, to permit an outright distribution to the trust beneficiary.
- **Uniform Lifetime Table (1.401(a)(9)-9).** Sets forth a new Uniform Lifetime table.
- **Eligible Rollover Distributions (1.402(c)-2).** Provides rollover rules for distribution of designated Roth accounts, and hypothetical RMDs for certain spousal rollovers.

Regarding the effective date of the proposed regulations, the response from the industry was rather immediate that even if final regulations were issued quickly, plan/IRA sponsors and recordkeepers would need more time to implement these changes. IRS Announcement 2025-2 largely addresses this concern by extending the anticipated effective date of certain proposed RMD regulations for one year – until January 1, 2026 (2026 distribution calendar year). The regulations covered by this extension are: (1) section 1.401(a)(9)-4, (2) section 1.401(a)(9)-5, and (3) section 1.401(a)(9)-6. Therefore, the following proposed regulations are anticipated to be effective January 1, 2026:

- Spousal Election (1.401(a)(9)-4, -5),
- Partial Annuity (1.401(a)(9)-5),
- Roth Accounts (1.401(a)(9)-5),
- Corrective Distributions (1.401(a)(9)-5), and
- QLAC (1.401(a)(9)-6).

This relief gives plan/IRA sponsors and recordkeepers some much-needed time to finalize the implementation of these changes. Importantly, prior to such date, the IRS provides a reasonable, good faith interpretation standard to meet these new rules.

Lastly, the remainder of the changes are still anticipated to be effective now – January 1, 2025. These include:

- Required Beginning Date (1.401(a)(9)-2),
- Corrective Distributions (1.408-8),
- Trust Beneficiary (1.401(a)(9)-8),
- Uniform Lifetime Table (1.401(a)(9)-9), and
- Eligible Rollover Distributions (1.402(c)-2).

Stay tuned for the final regulations.