

[Notice 2020-51, 2020-29 -- IRC Sec\(s\). 401; 403, 06/23/2020](#)

Notices (1980 - Present) (RIA)

Notices

Notice 2020-51, 2020-29, 06/23/2020, IRC Sec(s). 401

Qualified retirement plans-required minimum distributions-COVID-19 pandemic.

Headnote:

IRS provided guidance relating to waiver of 2020 required minimum distributions, described in [Code Sec. 401\(a\)\(9\)](#); , from certain retirement plans under Section 2203 CARES Act '20. Notably, rollovers of waived RMDs and certain related payments, including extension of 60-day rollover period for certain distributions to 8/31/2020 are permitted, questions relating to waiver are answered, and sample plan amendment that, if adopted, would provide participants choice whether to receive waived RMDs and certain related payments is provided. IRS also provided transition relief for plan administrators and payors in connection with change in required beginning date for RMDs under [Code Sec. 401\(a\)\(9\)](#); pursuant to Section 114 of P.L. 116-94 (12/20/2019).

Reference(s): [¶ 4015.15\(2\)](#); [Code Sec. 401](#); [Code Sec. 403](#);

Full Text:

Guidance on Waiver of 2020 Required Minimum Distributions

I. Purpose

This notice provides guidance relating to the waiver of 2020 required minimum distributions, described in  § 401(a)(9) of the Internal Revenue Code (Code), from certain retirement plans under section 2203 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub.L. 116-136, 134 Stat. 281 (2020). In particular, the notice:

- permits rollovers of waived required minimum distributions (RMDs) and certain related payments, including an extension of the 60-day rollover period for certain distributions to August 31, 2020;
- answers questions relating to the waiver of 2020 RMDs; and
- provides a sample plan amendment that, if adopted, would provide participants a choice whether to receive waived RMDs and certain related payments.

The notice also provides transition relief for plan administrators and payors in connection with the change in required beginning date for RMDs under  § 401(a)(9) of the Code pursuant to section 114 of the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act), enacted on December 20, 2019, as Division O of the Further Consolidated Appropriations Act of 2019, Pub. L. 116-94, 133 Stat. 2534 (2019).

II. Background

 Section 401(a)(9) of the Code requires a stock bonus, pension, or profit-sharing plan described in  § 401(a) (or an annuity contract described in  § 403(a)) to make minimum distributions starting by the required beginning date (as well as minimum distributions to beneficiaries if the employee dies before the required beginning date). Individual Retirement Accounts and Individual Retirement Annuities (IRAs) described in  § 408(a) and  § 408(b),  § 403(b) plans, and eligible deferred compensation plans under  § 457(b), are also subject to the rules of  § 401(a)(9) pursuant to  § 408(a)(6) and  (b)(3),  403(b)(10), and  457(d)(2), respectively, and the regulations under those sections. For a defined contribution plan, under  § 1.401(a)(9)-5, Q&A-1, the RMD generally is determined by dividing the employee's account balance by a factor that is based on life expectancy.

In general,  § 72(t) imposes a 10-percent additional tax on distributions made from a plan described in  § 401(a),  § 403(a), or  § 403(b) to an employee before the employee attains age 59½, or from an IRA to the IRA owner before the owner attains age 59½. However, pursuant to  § 72(t)(2)(A)(iv), certain individuals receiving distributions that are part of a series of substantially equal periodic payments from a plan or an IRA are exempted from this 10-percent additional tax.  Notice 89-25, Q&A-12, 1989-1 C.B. 662, as modified by  Rev. Rul. 2002-62, 2002-2 C.B. 710, provides three calculation methods for determining whether a distribution is part of a series of substantially equal periodic payments under  § 72(t)(2)(A)(iv). One of these calculation methods, the RMD method, uses rules similar to those under  § 401(a)(9) to determine the amount of the periodic payments.

Section 402(c) generally provides that the payment of any portion of an employee's interest in a qualified trust to the employee or the employee's surviving spouse in an eligible rollover distribution is not includible in gross income if the distribution is rolled over to an eligible retirement plan described in § 402(c)(8) no later than the 60th day following the day of receipt. An eligible rollover distribution is defined in § 402(c)(4) as a distribution to an employee of all or any portion of the balance to the credit of the employee in a qualified trust other than a distribution that is: (A) one of a series of substantially equal periodic payments made over a specified period **1**; (B) a distribution required under § 401(a)(9) **2**; or (C) a distribution made on account of the employee's hardship. Section 402(c)(3)(B) provides that the Secretary may waive the 60-day rollover deadline under certain circumstances. Section 402(c)(11) provides for the direct rollover of a deceased employee's interest in a qualified trust to an inherited IRA established for the deceased employee's nonspouse designated beneficiary. Rules similar to those described in this paragraph apply to § 403(a) annuity plans, § 403(b) plans, and § 457 eligible governmental plans. (See § 403(a)(4)(B), 403(b)(8)(B), and 457(e)(16)(B).)

Section 408(d)(3) generally provides that an amount distributed from an IRA to the IRA owner, or to the surviving spouse of the IRA owner, is not included in gross income if the distribution is rolled over to an eligible retirement plan no later than the 60th day following the day of receipt. A distribution of an after-tax amount may only be rolled over to another IRA. Section 408(d)(3)(B) provides that an IRA owner may roll over only one IRA distribution in a 12-month period, and § 408(d)(3)(E) provides that an RMD may not be rolled over. Section 408(d)(3)(I) provides that the Secretary may waive the 60-day rollover deadline under certain circumstances.

Section 114 of the SECURE Act amended § 401(a)(9) of the Code to change the required beginning date applicable to § 401(a) plans and other eligible retirement plans, including IRAs. The new required beginning date for an employee or IRA owner is generally April 1 of the calendar year following the calendar year in which the individual attains age 72 (rather than April 1 of the calendar year following the calendar year in which the individual attains age 70½) and the new required beginning date applies to distributions required to be made after December 31, 2019, with respect to individuals who attain age 70½ after that date.

Section 2203(a) of the CARES Act added § 401(a)(9)(I) to the Code. Section 401(a)(9)(I)(i) provides for a waiver of RMDs for defined contribution plans and IRAs for 2020. Section 401(a)(9)(I)(ii) provides that this waiver also applies to the 2019 RMD for an individual who has a required beginning date of April 1, 2020, that was not paid in 2019 (and therefore would have been due

to be paid between January 1, 2020 and April 1, 2020).  Section 401(a)(9)(I)(iii)(II) provides that if the rule described in  § 401(a)(9)(B)(ii) applies to a beneficiary (under which the entire amount of the plan must be distributed within 5 years of the participant's death), then the 5-year period is determined without regard to 2020.  Section 401(a)(9)(I)(iii)(I) provides that an individual's required beginning date is determined without regard to  § 401(a)(9)(I) for purposes of applying  § 401(a)(9) for calendar years after 2020.

Section 2203(b) of the CARES Act amended  § 402(c)(4) of the Code to provide that any amount distributed during 2020 that is an eligible rollover distribution, but would not have been an eligible rollover distribution had  § 401(a)(9) applied during 2020, is not treated as an eligible rollover distribution for purposes of  § 401(a)(31) (relating to direct and automatic rollovers of eligible rollover distributions),  § 402(f) (relating to notices to recipients of eligible rollover distributions), and  § 3405(c) (relating to mandatory 20-percent withholding on eligible rollover distributions).

Section 2203(c) of the CARES Act provides that a plan or contract may operate in accordance with an expected plan or contract amendment relating to the changes made by section 2203, provided the plan or contract amendment is adopted no later than the last day of the first plan year beginning in 2022 (or, in the case of a governmental plan, 2024). Section 2203(c) of the CARES Act also provides that a plan or contract will not fail to satisfy  § 411(d)(6) of the Code by reason of such an amendment, except as provided by the Secretary of the Treasury.

The RMD waiver provided by section 2203 of the CARES Act is similar to the 2009 RMD waiver provided by section 201 of the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA), [Pub. L. 110-458](#), 122 Stat. 5092 (2008).  Notice 2009-82, 2009-41 I.R.B. 491, provided transition relief and guidance related to section 201 of WRERA. This notice provides transition relief and guidance that is similar to that provided in  Notice 2009-82, but takes into consideration the different circumstances for the waiver in 2020 compared to the waiver in 2009.

III. Transition Guidance

A. Payor and plan administrator guidance related to SECURE Act change to required beginning date.

A. A distribution from a plan made during 2020 to a participant who will attain age 70½ in 2020 that would have been an RMD but for the change in the required beginning date under section 114 of the

SECURE Act is not required to be treated as an eligible rollover distribution for purposes of § 401(a)(31), § 402(f), and § 3405(c). Thus, for example, if a participant who attains age 70½ in 2020 received a distribution in January 2020, and part of the distribution was not treated as an eligible rollover distribution because it was improperly characterized as an RMD, then, pursuant to the relief in this paragraph III.A, the payor and plan administrator will not be considered as having failed to satisfy the requirements of § 401(a)(31), § 402(f) and § 3405(c) merely because of that treatment.

B. Rollover guidance for plan participants.

B. Consistent with the legislative intent with respect to section 2203 of the CARES Act to permit taxpayers to avoid taking RMDs in 2020, the Department of the Treasury (Treasury Department) and the IRS are providing relief to allow taxpayers who receive certain distributions to roll them into an eligible retirement plan (even if the distribution normally would be treated as part of a series of substantially equal periodic payments). Specifically, the following distributions from a plan (other than a defined benefit plan) may be rolled over, provided the other rules of § 402(c) are satisfied (and regardless of whether the distributions would otherwise be made as part of a series of substantially equal periodic payments):

1. distributions to a plan participant paid in 2020 (or paid in 2021 for the 2020 calendar year in the case of an employee who has a required beginning date of April 1, 2021) if the payments equal the amounts that would have been RMDs in 2020 (or for 2020), but for section 2203 of the CARES Act (2020 RMDs), or are one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the participant, the joint lives (or joint life expectancies) of the participant and the participant's designated beneficiary, or for a period of at least 10 years; and
2. for a plan participant with a required beginning date of April 1, 2021, distributions that are paid in 2021 that would have been an RMD for 2021 but for section 2203 of the CARES Act (as described in Q&A-5; of section V of this notice).

C. Extension of 60-day deadline for rollover of certain distributions

C. To assist plan participants who have already received distributions in 2020, the Treasury Department and the IRS, pursuant to § 402(c)(3)(B), are extending the 60-day rollover period for any payments described in section III.A and section III.B of this notice so that the deadline for rolling over such a payment will not be before August 31, 2020. For example, if a participant received a single-sum distribution in January 2020, part of which was treated as ineligible for rollover because it was considered an RMD, that participant will have until August 31, 2020, to roll over that part of the

distribution. In addition, the Treasury Department and the IRS, pursuant to  § 408(d)(3)(I), are extending the 60-day rollover period for IRA distributions in 2020 that would have been an RMD in 2020 but for section 2203 of the CARES Act or section 114 of the SECURE Act, so that the deadline for rolling over such distributions will not be before August 31, 2020.

D. Permitted repayments of RMDs previously distributed from an IRA.

D. In the case of an IRA owner or beneficiary who has already received a distribution of an amount that would have been an RMD in 2020 but for section 2203 of the CARES Act or section 114 of the SECURE Act, the recipient may repay the distribution to the distributing IRA, even if the repayment is made more than 60 days after the distribution, provided the repayment is made no later than August 31, 2020. The repayment will be treated as a rollover for purposes of  § 408(d)(3) of the Code, but will not be treated as a rollover for purposes of the one rollover per 12-month period limitation in  § 408(d)(3)(B) and the restriction on rollovers for nonspousal beneficiaries in  § 408(d)(3)(C).

IV. Plan Amendments

The Appendix to this notice provides a sample plan amendment for defined contribution plans that plan sponsors may adopt to implement  § 401(a)(9)(I). The sample amendment provides participants and beneficiaries the choice between receiving and not receiving distributions described in  section III.B of this notice. The sample plan amendment has no impact on other distribution provisions. For example, a 75-year-old retiree's request to have her remaining plan account balance distributed in 2020 in a lump sum, or in five approximately equal annual installments over a period that includes 2020, would not be affected by the amendment.

The format of the sample plan amendment generally follows the design of pre-approved plans that employ a "basic plan document" and an "adoption agreement." Thus, the sample plan amendment includes language designed for inclusion in a basic plan document and language designed for inclusion in an adoption agreement to allow the employer to select among options related to the application of the basic plan document provision. Sponsors of plans that do not use an adoption agreement (including employers using individually designed plans) should modify the format of the amendment to incorporate the desired options in the terms of the amendment.

The first option provides that the default that applies in the absence of a participant's or beneficiary's election is to pay out distributions that include 2020 RMDs, and the second option provides that the default that applies in the absence of a participant's or beneficiary's election is to suspend distributions that include 2020 RMDs. An employer may choose either option, regardless of current plan language. However, an employer must select one of these options and must include in the adoption agreement

the date as of which the plan begins operating in accordance with these terms.

The sample plan amendment also provides an employer three options with respect to the availability of direct rollover choices for distributions in 2020, with the default being that the plan offers a direct rollover option only for pre-CARES Act eligible rollover distributions (that is, a direct rollover option is not offered for 2020 RMDs or for amounts that may be rolled over solely due to the rollover guidance provided in  section III.B of this notice). The first option provides for the availability of a direct rollover of only 2020 RMDs. The second option provides for the availability of a direct rollover of 2020 RMDs and of other amounts that may be rolled over pursuant to the rollover guidance provided in  section III.B of this notice (the latter amounts referred to as "Extended 2020 RMDs" in the sample amendment). The third option provides for the availability of a direct rollover of the entire amount of a distribution but only if the distribution consists of part or all of a 2020 RMD amount and an additional amount that is an eligible rollover distribution without regard to  § 401(a)(9)(I).

The adoption of the sample plan amendment (as modified, if necessary, to conform to the plan's terms and administrative procedures) will not result in the loss of reliance on a favorable opinion, advisory, or determination letter. Also, an employer's adoption of one of the options under the sample plan amendment (as modified, if necessary, to conform to the plan's terms and administrative procedures) will not cause the plan to fail to be a pre-approved plan.

Under section 2203(c) of the CARES Act, any plan amendment pursuant to section 2203 must be adopted no later than the last day of the first plan year beginning on or after January 1, 2022 (January 1, 2024, for governmental plans), and must reflect the operation of the plan beginning with the effective date of the plan amendment. The timely adoption of the amendment must be evidenced by a written document that is signed and dated by the employer (including an adopting employer of a pre-approved plan).

Employers may adopt other amendments pursuant to section 2203 of the CARES Act. However, the Treasury Department and the IRS are exercising their authority under section 2203(c) of the CARES Act to deny  § 411(d)(6) relief for a plan amendment that eliminates an optional form of benefit.

Thus, for example, if plan language provides for a distribution of amounts equal to the 2020 RMD to a participant or beneficiary without regard to  § 401(a)(9)(I), then an amendment to eliminate the right to take that distribution would violate  § 411(d)(6)(B). Similarly, if plan language automatically suspends a distribution of amounts equal to the 2020 RMD to a participant or beneficiary pursuant to  § 401(a)(9)(I), then an amendment to eliminate the right to defer that distribution would also violate  § 411(d)(6)(B). By contrast, an employer will not have eliminated an optional form of benefit in violation of  § 411(d)(6)(B) merely because the plan's default for whether a distribution occurs in the absence of a participant's or beneficiary's election is different than the default for whether a distribution

occurs in the absence of a plan amendment.

V. Other Issues

Q-1. Do IRAs have to be amended for the waiver of required minimum distributions for 2020 pursuant to  § 401(a)(9)(I)?

A-1. No, while the waiver of 2020 RMDs pursuant to  § 401(a)(9)(I) applies to IRAs, an IRA does not have to be amended to reflect the waiver.

Q-2. For a plan that permits an employee or beneficiary to elect whether RMDs are determined using the 5-year rule in  § 401(a)(9)(B)(ii) or the life expectancy rule in  § 401(a)(9)(B)(iii) and  (iv), does  § 401(a)(9)(I) extend the time for making the election?

A-2. Yes, if a plan permits an employee or beneficiary to elect whether the 5-year rule or the life expectancy rule applies in determining RMDs, then the deadline for making that election typically would be the end of calendar year following the calendar year of the employee's death. For example, if a 50-year-old employee in a plan providing the election described in  § 1.401(a)(9)-3, Q&A-4(c) died in 2019 with his sister as his designated beneficiary, the plan provision would require the election by the end of 2020. However, pursuant to  § 401(a)(9)(I), that type of plan may be amended to permit the extension of the election deadline to the end of 2021.

Q-3. Does  § 401(a)(9)(I) extend the time for making a direct rollover for a nonspouse designated beneficiary pursuant to  § 402(c)(11)?

A-3. Yes,  § 401(a)(9)(I) extends the time for making a direct rollover for a nonspouse designated beneficiary if the participant died in 2019. The "special rule" at Q&A-17(c)(2) in  Notice 2007-7, 2007-1 C.B. 395, provides that if the 5-year rule applies to a benefit under a plan, the nonspouse designated beneficiary may determine the amount that is not eligible for rollover because it is an RMD using the life expectancy rule in the case of a distribution made prior to the end of the year following the year of death. This special rule in  Notice 2007-7 is hereby modified so that if the employee's death occurred in 2019, the nonspouse designated beneficiary has until the end of 2021 to make the direct rollover and use the life expectancy rule.

Q-4. Does  § 401(a)(9)(I) affect an individual's required beginning date?

A-4. No, the waiver of 2020 RMDs under  § 401(a)(9)(I) does not change an individual's required

beginning date. Thus, for example, if an individual has a required beginning date of April 1, 2020, and dies after April 1, 2020, then that individual will be treated as having died after his or her required beginning date regardless of whether that individual had commenced receiving distributions or had delayed commencing distributions until 2021 pursuant to  § 401(a)(9)(I).

Q-5. How does  § 401(a)(9)(I) impact an employee who has a required beginning date of April 1, 2021?

A-5.  Section 401(a)(9)(I) waives the RMD for 2020 regardless of whether the employee's required beginning date is April 1, 2021. Thus, for example, if an employee who is not a 5% owner attained age 70 ½ before January 1, 2020, and retires in the 2020 calendar year, that employee's required beginning date is April 1, 2021. Pursuant to  § 401(a)(9)(I), the employee is not required to receive an RMD for 2020 before April 1, 2021, but must still receive the RMD for the 2021 calendar year by December 31, 2021. If the employee receives a distribution during 2021, then under the rules of  § 1.402(c)-2, Q&A-7, that distribution is an RMD for the 2021 calendar year to the extent the total RMD for 2021 has not been satisfied even if the distribution is made on or before April 1, 2021, and accordingly, is not an eligible rollover distribution pursuant to  § 402(c)(4)(B). However, to the extent the RMD for 2021 has been satisfied, subsequent amounts distributed in 2021 that would otherwise not be eligible rollover distributions pursuant to  § 402(c)(4)(A) and  § 1.402(c)-2, Q&A-5, may be rolled over consistent with the rollover guidance provided in  section III.B.2 of this notice.

Q-6. Besides the extensions provided in Q&A-2 and Q&A-3 of this notice and the rollover guidance provided in  section III of this notice, are any other deadlines extended or rollover requirements modified in light of section 2203 of the CARES Act?

A-6. No, section 2203 of the CARES Act and  section III of this notice address only certain deadlines and rollover requirements. Thus, for example, there is no extension of the deadline of September 30 following the year of death in  § 1.401(a)(9)-4, Q&A-4 (relating to the determination of designated beneficiaries); the October 31 deadline in  § 1.401(a)(9)-4, Q&A-6(b) (relating to the date by which the trustee of a trust that is a plan's designated beneficiary must provide the plan administrator certain information); or the last-day-of-the-year deadline in  § 1.401(a)(9)-8, Q&A-2(a)(2) (relating to the date by which separate accounts must be established). Similarly, if a participant or beneficiary dies in 2020, there is no extension of the 5-year period described in  § 401(a)(9)(B)(ii) or the 10-year period described in  § 401(a)(9)(H)(i) or  § 401(a)(9)(H)(iii), as applicable.

Q-7. For a plan subject to § 401(a)(11) and 417, is spousal consent required to suspend distributions that include 2020 RMDs and restart distributions in 2021?

A-7. A plan subject to § 401(a)(11) and 417 may provide for either option described in Q&A-8 of Notice 97-75, 1997-2 C.B. 337, choosing whether or not to have a new annuity starting date when distributions restart. If the plan does not provide for a new annuity starting date, spousal consent is not required under most circumstances. If the plan provides that there is a new annuity starting date, spousal consent may be required for the suspension of distributions that include 2020 RMDs and the restart of distributions in 2021, depending on the form of distribution in each case.

Q-8. May distributions made from a plan be rolled over back into the same plan?

A-8. Yes, distributions from a plan may be rolled over back into the same plan, provided the plan permits rollovers and the rollover satisfies the requirements of § 402(c), taking into account the relief provided in section III.B and C of this notice.

Q-9. Does a payor have the option of treating a 2020 RMD paid from a plan in 2020 as subject to the mandatory 20-percent withholding rate for eligible rollover distributions under § 3405(c)?

A-9. No. Under the last sentence of § 402(c)(4), a 2020 RMD that is paid from a plan in 2020 is not treated as an eligible rollover distribution for purposes of the withholding rules under § 3405. For example, if a plan makes a distribution in 2020 to a retiree of his entire account balance under the plan and part of the distribution is a 2020 RMD, the portion of the distribution that is not a 2020 RMD is an eligible rollover distribution and is subject to the 20-percent mandatory withholding rules under § 3405(c), and the portion of the distribution that is a 2020 RMD is not an eligible rollover distribution for purposes of § 3405(c) and is subject to the 10-percent optional withholding rules under § 3405(b). On the other hand, if the retiree was receiving monthly distributions from the plan that exceeded his RMDs and that are expected to last for a period of at least 10 years, then the entire amount of each distribution is subject to the periodic-payment optional withholding rules under § 3405(a).

Q-10. Does § 401(a)(9)(I) apply to payments that are part of a series of substantially equal periodic payments under the "RMD method" (a series of payments described in Notice 89-25 and Rev. Rul. 2002-62 that are designed to satisfy the § 72(t)(2)(A)(iv) exception to the 10-percent additional tax under § 72(t)) so that the cessation of the payments for 2020 would not be considered a modification under § 72(t)(4)?

A-10. No.  Section 401(a)(9)(I) does not apply to these payments; accordingly, if they are stopped in 2020 (other than because of death or disability) prior to age 59½ (or prior to 5 years from the date of the first payment), the cessation of the payments is a modification under  § 72(t)(4) so that all the payments made under the series are subject to a recapture tax under  § 72(t)(4).

Q-11. Is an IRA trustee, issuer, or custodian required to notify IRA owners that no RMD is due for 2020?

A-11. Yes, an IRA trustee, issuer, or custodian must notify an IRA owner that no RMD is due for 2020. This requirement is satisfied if a copy of the Form 5498 that is filed with the IRS is furnished to the IRA owner.

Q-12. Does the waiver of 2020 RMDs apply in the case of a distribution from a defined benefit plan that uses the rule in  § 1.401(a)(9)-6 Q&A-1(d)(1) (under which the plan determines the portion of a single sum distribution that is an RMD as if the plan were an individual account plan)?

A-12. No, the waiver of 2020 RMDs under  § 401(a)(9)(I) does not apply to a defined benefit plan. This is the case even if the defined benefit plan is using the rule in  § 1.401(a)(9)-6 Q&A-1(d)(1) to determine the portion of a single sum distribution that is an RMD.

VI. Effect On Other Documents

 Notice 2007-7 is modified by Q&A-3 of this notice.

Drafting Information

The principal author of this notice is Brandon Ford of the Office of the Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). For further information regarding this notice, contact Brandon Ford at (202) 317-4400 (not a toll-free number). ?

Appendix

Defined Contribution Plan Sample Amendment for Section 401(a)(9)(I)

Defined Contribution Plan Sample Amendment for  Section 401(a)(9)(I)

Notwithstanding section _____ of the plan, whether a participant or beneficiary who would have

been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a participant with a required beginning date of April 1, 2021) but for the enactment of  section 401(a)(9)(I) of the Code (2020 RMDs), and who would have satisfied that requirement by receiving distributions that are either (1) equal to the 2020 RMDs, or (2) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the participant, the joint lives (or joint life expectancies) of the participant and the participant's designated beneficiary, or for a period of at least 10 years (Extended 2020 RMDs), will receive those distributions is determined in accordance with the option chosen by the employer in the adoption agreement. Notwithstanding the option chosen by the employer in the adoption agreement, a participant or beneficiary will be given an opportunity to make an election as to whether or not to receive those distributions.

In addition, notwithstanding section _____ of the plan, and solely for purposes of applying the direct rollover provisions of the plan, certain additional distributions in 2020, as chosen by the employer in the adoption agreement, will be treated as eligible rollover distributions.

If no election is made by the employer in the adoption agreement, a direct rollover will be offered only for distributions that would be eligible rollover distributions in the absence of  section 401(a)(9)(I).

(Adoption agreement provisions)

Effective date of amendment providing choice for 2020 RMDs

Section _____ of the plan providing for a choice of whether a participant or beneficiary will receive 2020 RMDs is effective _____.

Treatment of 2020 RMDs in the absence of a participant or beneficiary election

_____ A participant or beneficiary who would have been required to receive a 2020 RMD will receive this distribution unless the participant or beneficiary chooses not to receive the distribution.

_____ A participant or beneficiary who would have been required to receive a 2020 RMD will not receive this distribution unless the participant or beneficiary chooses to receive the distribution.

Direct Rollovers

For purposes of the direct rollover provisions of the plan, the following will also be treated as eligible rollover distributions in 2020: (Check one or none.)

_____ 2020 RMDs (as defined in the plan).

_____ 2020 RMDs and Extended 2020 RMDs (both as defined in the plan).

_____ 2020 RMDs (as defined in the plan) but only if paid with an additional amount that is an eligible rollover distribution without regard to  section 401(a)(9)(I).

1 Under §  1.402(c)-2, Q&A-5;, whether a series of payments is a series of substantially equal periodic payments for purposes of §  402(c)(4)(A) is determined at the time payments begin and by following the principles of §  72(t)(2)(A)(iv). As a result, a series of distributions, each of which is equal to an employee's RMD, is treated as a series of substantially equal periodic payments for purposes of §  402(c)(4)(A).

2 Under §  1.402(c)-2, Q&A-7;, in determining which amounts are treated as eligible rollover distributions, if a minimum distribution is required for a calendar year, the amounts distributed during that calendar year are treated as RMDs, to the extent that the total required minimum distribution under §  401(a)(9) for the calendar year has not been satisfied.