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Three Years, Three Rules: The New RMD Requirements

The initials "RMD" normally stand for "required minimum distribution," but maybe it should instead stand for "really made difficult." The combined effect of several recent tax-law changes (the CARES Act waiver of 2020 RMDs, the delayed effective date of the new life expectancy tables, and the SECURE Act increase of the starting RMD age to age 72) will make it challenging for individuals to keep track of the RMD rules over the next few years.

IRS Finalizes New RMD Tables Effective for 2022

On November 6, 2020, the IRS released [final regulations with new life expectancy tables](#) for calculating RMDs from IRA and company retirement savings plans. The new life expectancy tables will result in somewhat smaller RMDs. However, they cannot be used until 2022.

The IRS revised the current tables, in effect since 2002, to reflect longer life expectancies. In November 2019, the IRS issued proposed regulations that were intended to become effective for 2021 RMDs. However, because the final regulations were issued so late in 2020, the IRS delayed the effective date to allow custodians and record keepers additional time to implement their systems.

All three RMD life expectancy tables were revised:

1. The Uniform Lifetime Table, which is used to calculate lifetime RMDs.
2. The Joint (and Last Survivor) Life Expectancy Table, which is used instead of the Uniform Lifetime Table when a spouse is the sole IRA or plan beneficiary and is more than 10 years younger than the IRA owner or plan participant.
3. The Single Life Expectancy Table, which, under the SECURE Act, is used only to calculate post-death RMDs for "eligible designated beneficiaries" (i.e., surviving spouse, minor child of the account owner/participant, chronically ill or disabled individual, or someone no more than 10 years younger than the owner/participant). All other beneficiaries who inherit after 2019 use the 10-year payout rule. *Note: The Single Life Expectancy Table is also used if an IRA owner dies after the required beginning date (April 1 of the year following the year that the IRA owner turns age 72) without naming a living beneficiary.*

The new tables may also be used to calculate 72(t) periodic payments, starting in 2022.

The final regulations and new life expectancy tables can be viewed at public-inspection.federalregister.gov/2020-24723.pdf.

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