



ED SLOTT'S IRA ADVISOR

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Tax & Estate Planning for Your Retirement Savings

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GUEST IRA EXPERT:
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IRS Issues Guidance to Help 2023 RMD Confusion

In [IRS Notice 2023-54](#), issued on July 14, 2023, the IRS provides relief for 2023 missed required minimum distributions (RMDs) for IRA beneficiaries subject to annual RMDs within the 10-year payout period. The Notice also extends the 60-day rollover deadline for those who took unnecessary distributions in 2023, despite SECURE 2.0 delaying their RMDs for another year.

Relief for 2023 RMDs Within the 10-Year Payment Period

The new relief builds on the RMD relief given last October in [Notice 2022-53](#). In that Notice, the IRS excused missed 2021 and 2022 RMDs by non-eligible designated beneficiaries (NEDBs) if the account owner died in 2020 on or after his RMD required beginning date. It also relieved missed 2022 RMDs by an NEDB if the account owner died in 2021 on or after the required beginning date (RBD).

Notice 2023-54 adds another year of relief by excusing 2023 missed RMDs for NEDBs of IRA owners who died in 2020 or 2021 on or after the RBD. It also relieves missed 2023 RMDs for NEDBs of owners who died in 2022 on or after the RBD.

The Notice does not affect lifetime RMDs, inherited IRAs by eligible designated beneficiaries or RMDs

by beneficiaries who inherited before 2020. It only applies to those beneficiaries with annual RMDs within the 10-year rule.

Rollover Deadline Extended

Notice 2023-54 also extends the 60-day rollover deadline for IRA and plan account owners affected by the SECURE 2.0 increase in the first RMD age from 72 to 73.

The first RMD year for account owners born in 1951 would have been 2023 under the old rule, but is now 2024 under SECURE 2.0. Some IRA custodians and plan administrators inadvertently paid out "RMDs" in 2023 to these people. These were not technically RMDs and may not have been wanted by the account owner.

Therefore, the IRS is giving these account owners additional time (beyond the usual 60-day period) to roll back distributions received between January 1 and July 31, 2023. The deadline is September 30, 2023.

Such a rollover will not violate the once-per-year IRA rollover rule if another distribution was received by the individual in the last 12 months that was also rolled over. It will, however, start a new 12-month period that will preclude a distribution received in the next 12 months from being rolled over. ■

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