



ED SLOTT'S IRA ADVISOR

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Tax & Estate Planning for Your Retirement Savings

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An Annuity Even Haters Can Love

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Join the Retirement Planning Conversation



Crunch Time for Retirement Account Planning

As usual, the months have flown by, and the end of the year will soon be upon us. December 31 presents an important deadline for taking required distributions and for several tax-savings opportunities. Since cooperation from third-party IRA custodians and plan administrators is usually required, it is not too early to start taking action now. Meanwhile, as soon as the ball drops on New Year's Eve, some important new provisions of the SECURE 2.0 Act of 2022 will take effect.

December 31, 2023, Deadlines

Required Minimum Distributions

(RMDs): SECURE 2.0 raised the RMD age to 73 for those who turn age 72 in 2023. This means that individuals born in 1951 do not have to take any 2023 RMDs. However, those born in 1950, who started RMDs last year when the RMD age was 72 and turn age 73 this year, must receive their 2023 RMDs by December 31. And any IRA owners older than age 73 this year also must take their 2023 RMD by December 31.

Roth IRA owners, on the other hand, never have to take RMDs. Also, employees in 401(k) and other employer plans are not required to take a 2023 RMD if they qualify for the "still-working exception." Those who do not qualify for the exception

must take their 2023 RMD from their 401(k) by December 31.

Some confusion lies with beneficiary RMDs. In [Notice 2023-54](#), the IRS waived 2023 RMDs for IRA beneficiaries subject to annual RMDs within the 10-year payment period. (Last year, in [Notice 2022-53](#), the IRS also waived 2021 and 2022 RMDs for this group.) However, neither eligible designated beneficiaries (EDBs) nor beneficiaries who inherited before 2020 are affected by the waiver, and both groups must take their 2023 RMD by December 31.

Qualified Charitable Distributions

(QCDs): QCDs remain a great tax break for charitably-inclined individuals. With a QCD, IRA owners (or beneficiaries) age 70½ or older can make a 2023 charitable contribution up to \$100,000 through a tax-free transfer directly from their IRA. QCDs allow IRA owners to mitigate "stealth" taxes based on adjusted gross income (AGI), such as the 3.8% surtax on net investment income and Medicare surcharges. Also, QCDs can offset otherwise taxable RMDs. Beginning in 2023, individuals can also make a one-time \$50,000 QCD to a split-interest entity, such as a charitable gift annuity.

There is no such thing as a prior-year QCD, so those looking to take advantage of this tax break for 2023

Featuring the latest retirement tax law changes, including the NEW SECURE Act 2.0 and the latest RMD rules in effect NOW!

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