



## WHAT'S INSIDE?

### Much Ado About Very Little: SECURE 2.0 Changes the RMD Age

- The SECURE 2.0 Rules
- Two Quirks
- Tax Planning Opportunities
- Impact on the Required Beginning Date
- Conclusion

<Pages 1-3>

### Executive Summary

<Page 2>

### Insert: 2023 Retirement Plan Contribution Limits

### SECURE 2.0: New and Expanded 10% Penalty Exceptions

- Expanded Exception
- New Exceptions
- For Better or for Worse

<Pages 3-6>

### GUEST IRA EXPERT: Greg Dillon, CFA®, CFP®, CLTC® OneTeam Financial Cranford, NJ

### SECURE 2.0 Offers Happier Endings for 529 Accounts

<Pages 6-8>

Join the Retirement Planning Conversation



## Much Ado About Very Little: SECURE 2.0 Changes the RMD Age

One of the most publicized provisions of the SECURE 2.0 Act is the delay in the age when IRA owners must begin taking required minimum distributions (RMDs). But there is less here than meets the eye. For one thing, there is no benefit to anyone already receiving RMDs under the previous rules. As before, those people must continue to take RMDs. In addition, many older Americans need the money and start taking distributions from their retirement accounts earlier than required. For them, the RMD delay has no effect since they already planned to take distributions anyway. Finally, the real significant jump in the RMD age — from 73 to 75 — does not kick in for another decade!

### The SECURE 2.0 Rules

Ever since the [Tax Reform Act of 1986](#) was enacted into law, RMDs have been mandated to start at age 70½. [The SECURE Act](#) pushed that age back to 72 for anyone who turned age 70½ after December 31, 2019 (i.e., born on or after July 1, 1949). Now, [Section 107 of SECURE 2.0](#) further delays the first RMD year in two stages:

1. For those who turn age 72 after December 31, 2022, and age 73 before January 1, 2033 (born on or after January 1, 1951, and before January 1, 1960), the first RMD age is 73; and

2. For those who turn age 74 after December 31, 2032 (born on or after January 1, 1959), the first RMD age is 75.

### Two Quirks

There are two interesting aspects of this new provision. One is that Congress made a mistake in drafting it, since those born in 1959 will have two first RMD years.

**Example 1:** Amber, born on July 1, 1959, will turn age 72 on July 1, 2031 (after December 31, 2022), and 73 on July 1, 2032 (before January 1, 2033). Thus, under the first prong of the new law, her first RMD age would be 73. However, Amber also will turn age 74 on July 1, 2033 (after December 31, 2032). So, under the second prong, Amber's first RMD age would be 75.

Obviously, Congress will need to correct this glitch. The most logical fix is to have the second prong apply to those who turn age 73 (not age 74) after December 31, 2032 (born on or after January 1, 1960). With this correction, the first RMD age for anyone born in 1959 would be 73. The RMD ages would be as follows:

Age 70½	Born before July 1, 1949
Age 72	Born July 1, 1949 - 1950
Age 73	Born 1951 - 1959
Age 75	Born 1960 or later



The Great Retirement Debate  
with Jeffrey Levine, CPA/PFS, CFP® and Ed Slott, CPA  
New Episodes Every Thursday

Available on all major streaming platforms.  
Listen and subscribe using your favorite podcast app.

