



ED SLOTT'S IRA ADVISOR

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Tax & Estate Planning for Your Retirement Savings

Happy 50th Birthday, ERISA

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Final RMD Regulations Keep Controversial Annual RMDs During 10-Year Period

"American tax laws are constantly changing as our elected representatives seek new ways to ensure that whatever tax advice we receive is incorrect."

-Dave Barry, humorist

On September 2, 1974, Labor Day, President Gerald Ford signed the [Employee Retirement Income Security Act of 1974](#) (ERISA) into law. This landmark legislation not only established standards for private industry retirement plans to protect workers, it also created IRAs. In the decades that followed, the retirement account rules have constantly evolved. The Roth IRA arrived in 1998. The year 2020 brought the game-changing [SECURE Act](#), followed by the [SECURE 2.0 Act](#) in 2022. Now, 50 years after ERISA, the changes keep coming. On July 18, 2024, a whole new set of retirement account rules arrived with the long-awaited release by the IRS of [final required minimum distribution \(RMD\) regulations](#).

For the most part, the new final regulations are taxpayer friendly. However, the IRS is doubling down and maintaining its strict interpretation of one provision that has generated much controversy. Beginning in 2025, some beneficiaries must take annual RMDs during the SECURE Act's 10-year rule. Exactly which beneficiaries are subject to this

requirement and how and when these RMDs must be taken is complicated. Here is what IRA owners, beneficiaries, and their advisors need to know to navigate the new rules.

Understanding the "At Least as Rapidly" Rule

Annual RMDs within the 10-year period are required when an account owner dies on or after the required beginning date (RBD) for RMDs. Generally, the RBD is April 1 of the year after the year a person turns 73. This requirement to take RMDs within the 10-year period stems from the "At Least as Rapidly" (ALAR) rule, which existed in the U.S. Tax Code prior to the SECURE Act. While this rule does not require the exact same amount that was taken by the IRA owner to also be taken by the beneficiary, it does require that the process of taking annual RMDs continue. This is a key point. ALAR is not a function of **amount**, it is a function of **frequency**. Therefore, annual RMDs must continue after death.

An easy way to understand this concept is: If RMDs have been "turned on" (i.e., the owner reached his RBD), they cannot be turned off. If the original IRA owner died **before** the RBD — *he was not yet required to take lifetime RMDs* — then there are no RMDs in years 1-9 for the beneficiary.

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