



ED SLOTT'S IRA ADVISOR

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Tax & Estate Planning for Your Retirement Savings

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Top IRA Rulings of 2024

Five years after the passage of the SECURE Act in 2019, SECURE continued to lead the IRA news in 2024. "In July of 2024, the IRS released the [final required minimum distribution \(RMD\) regulations](#) for the SECURE Act," says Heather Schreiber, founder of HLS Retirement Consulting in Holly Springs, GA and Editor-in-Chief of [Heather Schreiber's Social Security Advisor](#). "One highly anticipated provision that was finally settled after almost 5 years of debate was how the 10-year rule, created under the original [SECURE Act](#), would apply to designated beneficiaries of decedents dying after their required beginning date (RBD)." The current RBD is generally April 1 of the year following the year the account owner turns age 73.

"The original SECURE Act wiped out the life-expectancy-based stretch IRA for non-eligible designated beneficiaries (NEDBs) for decedents dying after 2019," says Schreiber. "Unless they meet eligible designated beneficiary (EDB) requirements (a new beneficiary category added under the SECURE Act), NEDBs are subject to an accelerated 10-year rule for emptying retirement accounts. Section 401 of Title IV of the SECURE Act stated that the rule should be applied by substituting '10 years' for '5 years,' and shall apply whether or not distributions of the employee's interest have begun."

These final RMD regulations confirmed once and for all the applicability of the "at least as rapidly" rule in conjunction with the 10-year account depletion deadline facing NEDBs of account owners dying after their RBD. As Schreiber explains, the inherited balance must be distributed annually, or at least as rapidly as required before the owner's death. "For NEDBs, this created a combo approach of life expectancy distributions and full depletion within 10 years," she adds.



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-Heather Schreiber

The final RMD regulations also confirmed that no penalty waivers will apply in 2025 or later. Nor would the original 10-year period be extended to impacted beneficiaries. "The latter point indicates that if a beneficiary had not been making at least partial withdrawals consistently, the 10-year distribution period could be significantly shortened, potentially leading to a larger tax burden," says Schreiber. "To complicate matters, any impacted NEDBs also must calculate RMDs for 2025 and subsequent years

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