

### **Leave My Money in the Plan!**

#### ***Congress Grants a One Year Waiver of Required Minimum Distributions***

On December 23, 2008, the President signed the Worker, Retiree and Employer Recovery Act of 2008 (WRERA). A component of this Act is the one year waiver of a Required Minimum Distribution (RMD) from IRAs, 401(k)s and other qualified Defined Contribution retirement plans. This suspension applies to distributions relative to the 2009 tax year. However, it does NOT apply to distributions for the 2008 tax year that may be payable in 2009.

Lawmakers decided it was unfair to require retirees to withdraw money from retirement accounts already depleted by stock market losses. RMDs will resume in 2010.

#### ***Key points affecting RMDs:***

- If an individual is due to receive an RMD for 2009, they may elect to skip it. RMDs must restart for 2010.
- Beneficiaries taking distributions under the five-year rule may skip the 2009 RMD.
- If an individual attains 70½ in 2009, they do not have to take an RMD in 2009. They will start their RMDs in 2010.
- Remember, this waiver applies to the distributions due for the 2009 tax year. If an individual attained age 70½ during 2008, they are still required to receive their 2008 RMD before April 1, 2009.
- Does not apply to Defined Benefit retirement plans – RMDs will be required for 2009.