

How will the CARES Act and SECURE Act affect my RSA-1 Deferred Compensation Plan Required Minimum Distribution (RMD)?

By Rhonda H. Peters, Director of RSA-1/PEIRAF

The CARES Act was passed by Congress March 25, 2020, and the SECURE Act December 20, 2019. Both include reforms affecting RMD's.

The CARES Act is intended to provide relief to retirement plan retirees by waiving RMD's for 2020. Due to the decline in the stock market over concerns from COVID-19 and the lack of time to recover the losses, Congress provided a waiver for calendar year 2020 RMD's from defined contribution plans such as RSA-1 Deferred Compensation.

If you wish to stop your RMD for 2020, please mail a signed letter to the RSA-1 Benefits Division requesting to waive your 2020 RMD due to the CARES Act. If you have already received your RMD for the 2020 year, you are not eligible to return your RMD to the deferred compensation plan.

The SECURE Act changed the Required Beginning Date (RBD) for RMD's. The Act changes the RBD to age 72 instead of the previous age of 70 ½. This provision is effective January 1, 2020. Any participant who attains age 70 ½ on or after January 1, 2020 is not required to begin receiving an RMD until age 72.

Due to the COVID-19 pandemic, RSA-1 Benefits Division employees are working remotely. Any questions concerning your RMD should be sent by email to rsa1info@rsa-al.gov.

On behalf of RSA we hope you and your family remain safe during this difficult time.