June 25, 2020

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UIL: 401.06-00

The Honorable Bill Cassidy
United States Senate
Washington, DC 20510

Attention:

Dear Senator Cassidy:

I am responding to your inquiry dated May 14, 2020, on behalf of your constituent, . He explained he received his required minimum distribution (RMD) in January 2020 and asked if he can roll over the RMD back to his 401K retirement plan.

Section 2203 of the CARES Act of March 27, 2020 waived all RMDs for the 2020 calendar year. Therefore, individuals can roll over any RMD paid from a 401K retirement plan in 2020.

On June 23, 2020, we issued Notice 2020-51, to provide additional guidance related to Section 2203 of the CARES Act. Notice 2020-51 extended the deadline to roll over any 2020 RMD paid in January 2020 to August 31, 2020. In addition, individuals may repay amounts equal to the 2020 RMD into the 401K that distributed the RMD.

Generally, individuals have 60 days from the distribution to roll over that amount to an IRA or other eligible retirement plan. However, on April 9, 2020, we issued Notice 2020-23, 2020-18 IRB 742, to extend the 60-day rollover distribution deadline to July 15, 2020 for distributions that would have been required to be rolled over between April 1, 2020, and July 15, 2020.
Therefore, individuals can roll over any 2020 RMD paid between February 1, 2020 and May 16, 2020, no later than July 15, 2020. However, the normal 60-day deadline still applies to any 2020 RMDs paid on or after May 16, 2020.

For your convenience, I have enclosed a copy of Notice 2020-23 and Notice 2020-51.

I hope this information is helpful. If you have questions, please contact me at __________ or __________ at __________.

Sincerely,

Laura B. Warshawsky
Branch Chief, Qualified Plans Branch 1
(Employee Benefits, Exempt Organizations, and Employment Taxes)

Enclosures (2)