



# Required minimum distributions processing – 2024 timeline

## OVERVIEW

This communication outlines the annual process of required minimum distribution (RMD) processing for your self-service plan.

### Timeline

Date	Description
March/May 2024	Plan Administrators review the reports located on the Plan Service Center and provide updates by <b>June 1, 2024</b> .
July/August 2024	<ul style="list-style-type: none"> <li>RMD letters are mailed to participants who have reached RMD age and beneficiaries and alternate payees who may be due an RMD in the current year as reflected in our records.</li> <li><b>NOTE:</b> If your self-service option does not include Empower mailing RMD letters, then letters will not be mailed by Empower, rather, the Plan Administrator is responsible for all RMD correspondence.</li> </ul>
November/December 2024	Plan Administrators direct Empower on any 2024 RMD payouts that the Plan Administrator has determined should be paid by December 31, 2024.
March 2025	Plan Administrators direct Empower on any 2024 first-year deferred RMD payments that the Plan Administrator has determined should be paid by April 1, 2025.

### Reports

The following reports must be reviewed as part of the annual RMD process.

Report	Description
Participant Data Extract Report	<ul style="list-style-type: none"> <li>The Participant Data Extract Report is a tool to query indicative data points for all account holders in the plan.</li> <li>This report should be used to identify any missing or inaccurate data. Missing or inaccurate data may prevent us from accurately calculating an RMD payment.               <ol style="list-style-type: none"> <li>Access this report through the Reports menu in the Plan Service Center.</li> <li>Run as of the current date.</li> <li>Include address information, employment information and activity information.</li> <li>Set the Participant Data Parameter to Participants with a balance; active and terminated employment.</li> </ol> </li> </ul>

Report	Description
Required Minimum Distribution Report	<ul style="list-style-type: none"> <li>This report lists all participants RMD age or older, all deceased participants, and all beneficiaries and alternate payees regardless of RMD eligibility. <ol style="list-style-type: none"> <li>Access this report through the Reports menu in the Plan Service Center.</li> <li>Run for the current calculation year.</li> <li>Set the Ownership Agreement Parameter to All.</li> </ol> </li> <li>Refer to the RMD Report Overview on the Plan Resources page for details on running and using this report.</li> <li>If there are no people identified on your RMD report, our records indicate that no participants in your plan are RMD age or older, and no one is identified as a beneficiary or an alternate payee.</li> </ul>

Please review these reports and provide missing data and/or submit any changes necessary. These reports must be reviewed for each individual plan if your company sponsors multiple qualified plans.

### Process to Provide Missing or Corrective Data

The following data points can impact the ability to accurately calculate or pay RMDs.

- 5% Ownership\*
- Date of Birth
- Termination Date
- Hire Date
- Date of Death
- Mailing Address
- 12/31 Insurance Cash Value\*\*

Follow your standard process to correct any data issues through the Plan Service Center or your Client Service Manager. If we do not receive updates by **June 1, 2024**, the annual RMD process will begin based on the information in our records. Missing or inaccurate data may prevent us from accurately calculating an RMD payment. Please forward this message to anyone else in your organization who may need to review the data reports.

*\*The ownership percentage must be coded in the recordkeeping system. Any ownership information provided as part of annual compliance testing is not recorded in the recordkeeping system and will not be reflected in the reports. Refer to Internal Revenue Code section 416 for the definition of a 5% owner.*

*\*\*If a participant has an insurance policy that needs to be included in the calculation of the RMD, they must confirm the December 31 balance for the RMD includes the December 31 cash value of that policy and if not, contact Empower to provide.*

### RMD Age

Due to SECURE Act, the RMD age changed depending on when the participant was born.

- Age 70 ½ – Participants born before July 1, 1949.
- Age 72 – Participants born July 1, 1949 – December 31, 1950.
- Age 73 – Participants born on or after January 1, 1951.

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## SECURE Act 2.0

SECURE Act 2.0 introduced the following changes, effective January 1, 2024.

- Roth is excluded from RMDs for participants and alternate payees. (For beneficiaries, RMD calculations and withdrawals will continue to include Roth.)
- For deaths January 1, 2024 and later, spousal beneficiaries may elect to be treated like the participant for RMD purposes, which affects their required begin date and the IRS life expectancy table that is used for their RMD calculation.

## IRS Life Expectancy Tables

On January 1, 2022, the IRS updated the life expectancy tables used to calculate RMDs. These updated tables reflect an increase in life expectancies and were used for payment calculations starting in 2022. The prior tables will continue to be used for payment calculations through 2021.

- The Uniform Lifetime Table is used for participants who do not qualify to use or have not provided instruction to use the Joint and Last Survivor table. This table will also be used for spousal beneficiaries who qualify and choose to be treated like the participant.
- The Joint and Last Survivor table is used for participants who have identified a spouse as their sole primary designated beneficiary who is more than 10 years younger and provided instruction to use this table.
- The Single Life Expectancy Table is used for beneficiaries and alternate payees. (Except spousal beneficiaries who qualify and choose to be treated like the participant.)

## Mailings

If your self-service option includes Empower mailing RMD letters, we will begin mailing the following notices in July.

- **Participant RMD Letter** – This letter is sent to participants who have reached RMD age and have an RMD calculation regardless of employment and ownership status or for whom an RMD cannot be calculated due to a missing prior year-end balance.
- **Beneficiary/Alternate RMD Payee Letter** – This letter is sent to beneficiaries and alternate payees who have an RMD calculation for the current year or for whom an RMD cannot be calculated due to a missing prior year-end balance.

Please note that letters will not be mailed to those who have already satisfied their RMD amount for the year or who have an RMD installment set up on their account. In addition, accounts coded as deceased and accounts with mail holds are excluded from RMD mailings.

## Payments

If you determine payments should be made, create a spreadsheet file with the following data and work with your Client Service Manager to submit for processing.

- Plan Number
- Participant SSN
- Participant SSN Extension, when applicable
- Participant First Name
- Participant Last Name
- RMD Amount to be Paid
- Federal and State Tax Withholding Instructions

Please make sure you are only requesting for those who still have an amount due and have not already satisfied their RMD for the year. Accounts coded as deceased and accounts with mail holds should be excluded from RMD payments.

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