

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: All Retirement Boards

FROM: Bill Keefe, Executive Director

RE: Required Minimum Distribution: Still Age 73 for This Year's Notifications

DATE: January 8, 2025

The enactment of G.L. c. 32, § 12D (Section 15 of Chapter 21 of the Acts of 2009) brought the Massachusetts Retirement Systems into compliance with the federal requirement that persons who attained age 70½ who were not receiving a retirement allowance and who were not employed by a governmental unit sponsoring the Retirement System in which they are a member must begin taking a distribution from the System by April 1 of the year following the year they attain age 70½.

On December 20, 2019 and December 29, 2022, the Setting Every Community Up for Retirement Enhancement Act ("Secure Act") and Secure 2.0 Act, respectively, were signed into law and updated the age for required minimum distributions. For calendar years 2021 and 2022, if a member reached the age of 70½ in January 2020 or later, born after June 30, 1949, they were required to take their first minimum distribution by April 1 of the year after they reach age 72. For calendar years 2023 to present, if a member reached the age of 72 in January 2023 or later, born on or after January 1, 1951, they are now required to take their first minimum distribution by April 1 of the year after they reach age 73. Attached is a sample letter that Boards can use to advise affected members of this requirement.

The options available to these members can be quite complicated, especially those provisions that apply to rollovers. As a result, we are suggesting that the members be urged to contact the Board for counseling. We do not suggest that a set of all the possible forms be sent to members without either formal counseling or a specific request.

The initial distribution to all persons who have attained age 73 during calendar year 2024 must be made by April 1, 2025, so we recommend that the notices be sent out to these members as soon as possible. Boards may wish to send follow-up notices or make other efforts to contact members who do not respond in a timely manner.

If you have questions, please feel free to contact Senior Associate General Counsel Felicia McGinniss at (617) 591-8909.

Attachment

