

MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: Required Minimum Distribution: Still Age 70½ For This Year's Notifications

DATE: March 9, 2020

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 attain age 70½ who are not receiving a retirement allowance and who are not employed must begin taking a distribution from the System by April 1 of the year following the year they attain age 70½. 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 70½ during calendar year 2019 (or who were older than 70½ in 2019) must be made by April 1, 2020, 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.

Of note, The Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE Act") has changed the required beginning date for minimum distributions to age 72. However, the former rules apply to all individuals who reached age 70½ on or before December 31, 2019. PERAC will issue another memorandum regarding this change in the law.

If you have questions, please feel free to contact Judith Corrigan at 617-666-446 ext. 904.

Attachment

