

IRS: Deadline to return distributions to retirement accounts is Aug. 31

WASHINGTON — The Internal Revenue Service today reminds IRA owners, beneficiaries or workplace retirement plan participants who received a Required Minimum Distribution (RMD) this year that they have until Aug. 31 to rollover or repay the distribution to avoid paying taxes.

The Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, waives RMDs during 2020 for IRAs and retirement plans, including for beneficiaries with inherited accounts. This waiver includes RMDs for individuals who turned age 70 ½ in 2019 and took their first RMD in 2020. [Roth IRAs](#) don't require withdrawals until after the death of the owner.

Individuals who took RMDs in 2020, including those who turned 70 ½ during 2019, have the option of returning the distribution to their account or other qualified plan.

Since the RMD rule is suspended, RMDs taken in 2020 are considered eligible for rollover. Therefore, RMDs can be rolled over to another IRA, another qualified retirement plan, or returned to the original plan by Aug. 31, to avoid paying taxes on that distribution.

IRS [Notice 2020-51](#) also provides that the one rollover per 12-month period limitation and the restriction on rollovers to inherited IRAs don't apply to this repayment.

The CARES Act provisions apply to most retirement plans, including traditional IRAs, SEP IRAs, SIMPLE IRAs, 401(k) plans, 403(b) plans, 457(b) plans, profit sharing plans and other defined contribution plans. The RMD suspension doesn't apply to qualified defined benefit plans.

Where can I find more information?

More information on the CARES Act and retirement plans, including FAQs, can be found on the [Coronavirus-related relief for retirement plans and IRAs questions and answers](#) page.
