

## Employee Benefit Plans Alert

# Decreasing Required Minimum Distributions (RMDs): New Life Expectancy Tables

By Louis F. LiBrandi, Principal

This is welcomed news to many retirees or near retirees planning and budgeting for their retirement.

The IRS has issued [final regulations providing guidance relating to the life expectancy and distribution period tables](#) that are used to calculate required minimum distributions (RMDs) for qualified retirement plans, individual retirement accounts (IRAs), annuities and certain other tax-favored employer-provided retirement arrangements.

### Effective Date

The final regulations become effective for distributions occurring in calendar years beginning on or after January 1, 2022.

### Effect of Changes to Life Expectancy Tables

The life expectancy tables and applicable distribution period tables in the regulations generally reflect longer life expectancies than the formerly applicable tables.

According to the IRS, the effect of these changes is to reduce the amount of the annual RMDs which will allow participants to retain larger balances in their retirement plans to account for the possibility they may live longer.

### Contact Us

The Employee Benefit Services Group at PKF O'Connor Davies is available to assist employers with the various compliance reporting and other requirements imposed by federal agencies. We also provide a full spectrum of compliance services for qualified retirement plans, non-qualified deferred compensation plans, and welfare plans. For more information, please contact your client services partner or either of the following:

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