Treasury Regulation 1.401(a)(9)-5
Required minimum distributions from defined contribution plans

(a) *General rules—*

(1) *In general.* Subject to the rules of paragraph (e) of this section (requiring distribution of an employee's entire interest by a specified deadline in certain situations), if an employee's accrued benefit is in the form of an individual account under a defined contribution plan, the minimum amount required to be distributed for each distribution calendar year beginning with the first distribution calendar year for the employee or designated beneficiary (as determined under paragraph (a)(2) of this section) is equal to the quotient obtained by dividing the account balance (determined under paragraph (b) of this section) by the applicable denominator (determined under paragraph (c) or (d) of this section, whichever applies). However, the required minimum distribution amount will never exceed the entire account balance on the date of the distribution. See paragraph (g)(1) of this section for rules that apply if a portion of the employee's account is not vested.

(2) *Distribution calendar year—*

(i) *In general.* A calendar year for which a minimum distribution is required is a distribution calendar year.

(ii) *First distribution calendar year for employee if employee dies on or after required beginning date*. If an employee's required beginning date is April 1 of the calendar year following the calendar year in which the employee attains the applicable age, then the employee's first distribution calendar year is the year the employee attains the applicable age. If an employee's required beginning date is April 1 of the calendar year following the calendar year in which the employee retires, the employee's first distribution calendar year is the calendar year in which the employee retires.

(iii) *First distribution calendar year for designated beneficiary if employee dies before required beginning date.* In the case of an employee who dies before the required beginning date, if the life expectancy rule in §1.401(a)(9)-3(c)(4) applies, then the first distribution calendar year for the designated beneficiary is the calendar year following the calendar year in which the employee died (or, if applicable, the calendar year described in §1.401(a)(9)-3(d)). See §1.401(a)(9)-3(c)(5) to determine whether the life expectancy rule applies.

(3) *Time for distributions.* The distribution required for the employee's first distribution calendar year (as described in paragraph (a)(2)(ii) of this section)

may be made on or before April 1 of the following calendar year. The required minimum distribution for any other distribution calendar year (including the required minimum distribution for the distribution calendar year in which the employee's required beginning date occurs or the first distribution calendar year for the designated beneficiary) must be made on or before the end of that distribution calendar year.

(4) *Minimum distribution incidental benefit requirement.* If distributions of an employee's account balance under a defined contribution plan are made in accordance with this section--

(i) With respect to the retirement benefits provided by that account balance, to the extent the incidental benefit requirement of §1.401-1(b)(1)(i) requires distributions, that requirement is deemed satisfied; and

(ii) No additional distributions are required to satisfy section 401(a)(9)(G).

(5) *Annuity contracts*—

(i) *Purchase of annuity contract permitted.* A plan may satisfy section 401(a)(9) by the purchase of an annuity contract from an insurance company in accordance with §1.401(a)(9)-6(d) with the employee's entire individual account, provided that the terms of the annuity satisfy §1.401(a)(9)-6. However, a distribution of an annuity contract is not a distribution for purposes of this section.

(ii) *Transition from defined contribution rules to defined benefit rules*. If an annuity is purchased in accordance with paragraph (a)(5)(i) of this section after distributions are required to commence (the required beginning date, in the case of distributions commencing before death, or the calendar year determined under §1.401(a)(9)-3(c)(4) or, if applicable, §1.401(a)(9)-3(d), in the case of distributions commencing after death), then the plan will satisfy section 401(a)(9) only if, in the year of purchase, distributions from the individual account satisfy this section, and for calendar years following the year of purchase, payments under the annuity contract are made in accordance with §1.401(a)(9)-6. Payments under the annuity contract during the year in which the annuity contract is purchased are treated as distributions from the individual account for purposes of determining whether the distributions from the individual account satisfy this section in the calendar year of purchase.

(iii) *Bifurcation if annuity contract is purchased with portion of employee’s account*. A portion of an employee's account balance under a defined contribution plan is permitted to be used to purchase an annuity contract while another portion remains in the account, provided that the requirements of paragraphs (a)(5)(i) and (ii) of this section are satisfied (other than the requirement that the contract be purchased with the employee's entire individual account). In that case, in order to satisfy section 401(a)(9) for calendar years after the calendar year of purchase, the remaining account balance under the plan must be distributed in accordance with this section.

(iv) *Optional aggregation rule*. In the case of an annuity contract purchased with a portion of the employee's account balance, in lieu of applying section 401(a)(9) separately with respect to the annuity contract and the remaining account balance as described in paragraph (a)(5)(iii) of this section, a plan may permit an employee to elect to satisfy section 401(a)(9) for the annuity contract and that account balance in the aggregate by--

(A) Adding the fair market value of the contract to the remaining account balance determined under paragraph (b) of this section; and

(B) Treating payments under the annuity contract as distributions from the employee's individual account.

(v) [Reserved]

(6) *Impact of additional distributions in prior years.* If, for any distribution calendar year, the amount distributed exceeds the required minimum distribution for that calendar year, no credit towards a required minimum distribution will be given in subsequent calendar years for the excess distribution.

(b) *Determination of account balance*—

(1) *General rule*. In the case of an individual account under a defined contribution plan, the benefit used in determining the required minimum distribution for a distribution calendar year is the account balance as of the last valuation date in the calendar year preceding that distribution calendar year (valuation calendar year) adjusted in accordance with this paragraph (b). For this purpose, all of an employee's accounts under the plan are aggregated. Thus, all separate accounts, including a separate account for employee contributions under section 72(d)(2), are aggregated for purposes of this section.

(2) *Adjustment for subsequent allocations and distributions*—

(i) *Subsequent allocations*. The account balance is increased by the amount of any contributions or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date. For this purpose, contributions that are allocated to the account balance as of dates in the valuation calendar year after the valuation date, but that are not actually made during the valuation calendar year, may be excluded.

(ii) *Subsequent distributions.* The account balance is decreased by distributions made in the valuation calendar year after the valuation date.

(3) *Adjustment for designated Roth accounts*. For distribution calendar years up to and including the calendar year that includes the employee's date of death, the account balance does not include amounts held in a designated Roth account (as described in section 402A(b)(2)).

(4) *Exclusion for QLAC*. The account balance does not include the value of any qualifying longevity annuity contract (QLAC), defined in §1.401(a)(9)-6(q), that is held under the plan.

(5) *Treatment of rollovers*. If an amount is distributed from a plan and rolled over to another plan (receiving plan), then the rules of §1.401(a)(9)-7(b) apply for purposes of determining the benefit and required minimum distribution under the receiving plan. If an amount is transferred from one plan (transferor plan) to another plan (transferee plan) in a transfer to which section 414(l) applies, then the rules of §§1.401(a)(9)-7(c) and (d) apply for purposes of determining the amount of the benefit and required minimum distribution under both the transferor and transferee plans.

(c) *Determination of applicable denominator during employee's lifetime—*

(1) *General rule.* Except as provided in paragraph (c)(2) of this section (relating to a spouse beneficiary who is more than 10 years younger than the employee), the applicable denominator for required minimum distributions for each distribution calendar year beginning with the employee's first distribution calendar year (as described in paragraph (a)(2)(ii) of this section) is determined using the Uniform Lifetime Table in §1.401(a)(9)-9(c) for the employee's age as of the employee's birthday in the relevant distribution calendar year. The requirement to take an annual distribution calculated in accordance with the preceding sentence applies for every distribution calendar year up to and including the calendar year that includes the employee's date of death. Thus, a required minimum distribution is due for the calendar year of the employee's death, and that amount must be distributed during that year to any beneficiary to the extent it has not already been distributed to the employee.

(2) *Spouse is sole beneficiary—*

(i) *Determination of applicable denominator*. If the employee's surviving spouse who is more than 10 years younger than the employee is the employee's sole beneficiary, then the applicable denominator is the joint and last survivor life expectancy for the employee and spouse determined using the Joint and Last Survivor Table in §1.401(a)(9)-9(d) for the employee's and spouse's ages as of their birthdays in the relevant distribution calendar year (rather than the applicable denominator determined under paragraph (c)(1) of this section).

(ii) *Spouse must be sole beneficiary at all times.* Except as otherwise provided in paragraph (c)(2)(iii) of this section (relating to a death or divorce in a calendar year), the spouse is the sole beneficiary for purposes of determining the applicable denominator for a distribution calendar year during the employee's lifetime only if the spouse is the sole beneficiary of the employee's entire interest at all times during the distribution calendar year.

(iii) *Change in marital status.* If the employee and the employee's spouse are married on January 1 of a distribution calendar year, but do not remain married throughout that year (that is, the employee or the employee's spouse dies or they become divorced during that year), the employee will not fail to have a spouse as the employee's sole beneficiary for that year merely because they are not married throughout that year. However, the change in beneficiary due to the death or divorce of the spouse in a distribution calendar year will be effective for purposes of determining the applicable denominator under section 401(a)(9) and this paragraph (c) for the following calendar years.

(d) *Applicable denominator after employee's death—*

(1) *Death on or after the employee's required beginning date—*

(i) *In general.* If an employee dies after distribution has begun as determined under §1.401(a)(9)-2(a)(3) (generally, on or after the employee's required beginning date), distributions must satisfy section 401(a)(9)(B)(i). In order to satisfy this requirement, the applicable denominator for distribution calendar years that begin after the employee's death is determined under the rules of this paragraph (d)(1) (or is determined under the rules of paragraph (g)(3) of this section, if applicable). The requirement to take an annual distribution in accordance with the preceding sentence continues to apply for every distribution calendar year until the employee's interest is fully distributed. Thus, a required minimum distribution is due for the calendar year of the beneficiary's death, and that amount must be distributed during that calendar year to any beneficiary of the deceased beneficiary to the extent it has not already been distributed to the deceased beneficiary. If section 401(a)(9)(H) applies to the employee's interest in the plan, then the distributions also must satisfy either section 401(a)(9)(B)(ii) (applied by substituting 10 years for 5 years) or, if the beneficiary is an eligible designated beneficiary, section 401(a)(9)(B)(iii) (taking into account sections 401(a)(9)(E)(iii) and 401(a)(9)(H)(iii)). In order to satisfy those requirements, in addition to determining the applicable denominator under the rules of this paragraph (d)(1), the distributions must satisfy any applicable requirements under paragraph (e) of this section.

(ii) *Employee with designated beneficiary*. If the employee has a designated beneficiary as of the date determined under §1.401(a)(9)-4(c), the applicable denominator is the greater of--

(A) The designated beneficiary's remaining life expectancy; and

(B) The employee's remaining life expectancy.

(iii) *Employee with no designated beneficiary*. If the employee does not have a designated beneficiary as of the date determined under §1.401(a)(9)-4(c), the applicable denominator is the employee's remaining life expectancy.

(2) *Death before an employee's required beginning date.* If an employee dies before distributions have begun (as determined under §1.401(a)(9)-2(a)(3)) and the life expectancy rule described in §1.401(a)(9)-3(c)(4) applies, then the applicable denominator for distribution calendar years beginning with the first distribution calendar year for the designated beneficiary (as described in paragraph (a)(2)(iii) of this section) is the designated beneficiary's remaining life expectancy (or is determined under the rules of paragraph (g)(3) of this section, if applicable).

(3) *Remaining life expectancy*—

(i) *Life expectancy table*. For purposes of this paragraph (d), all life expectancies are determined using the Single Life Table in §1.401(a)(9)-9(b).

(ii) *Employee's life expectancy*. The employee's remaining life expectancy is determined initially using the employee's age as of the employee's birthday in the calendar year of the employee's death. In subsequent calendar years, the remaining life expectancy is determined by reducing that initial life expectancy by one for each calendar year that has elapsed after that first calendar year.

(iii) *Non-spouse designated beneficiary.* If the designated beneficiary is not the employee's surviving spouse, then the designated beneficiary's remaining life expectancy is determined initially using the beneficiary's age as of the beneficiary's birthday in the calendar year following the calendar year of the employee's death. Except as otherwise provided in paragraph (d)(3)(iv) of this section, for subsequent calendar years, the designated beneficiary's remaining life expectancy is determined by reducing that initial life expectancy by one for each calendar year that has elapsed after that first calendar year.

(iv) *Spouse as designated beneficiary*. If the surviving spouse of the employee is the employee's sole beneficiary, then the surviving spouse's remaining life expectancy is redetermined each distribution calendar year up to and including the calendar year of the spouse's death using the surviving spouse's age as of the surviving spouse's birthday in the distribution calendar year. For each calendar year following the calendar year of the spouse's death, the spouse's remaining life expectancy is determined by reducing the spouse's remaining life expectancy in the calendar year of the spouse's death by one for each calendar year that has elapsed after that calendar year.

(e) *Distribution of employee's entire interest required—*

(1) *In general.* Except as provided in paragraph (f) of this section, if an employee's accrued benefit is in the form of an individual account under a defined contribution plan, then the entire interest of the employee must be distributed by the end of the earliest of the calendar years described in paragraph (e)(2), (3), or (4) of this section. However, the preceding sentence does not apply if section 401(a)(9)(H) does not apply with respect to the employee (for example, if both the employee and the employee's designated beneficiary died before January 1, 2020). See §1.401(a)(9)-1(b) for rules relating to the section 401(a)(9)(H) effective date.

(2) *10-year limit for designated beneficiary who is not an eligible designated beneficiary.* If the employee's designated beneficiary is not an eligible designated beneficiary (as determined in accordance with §1.401(a)(9)-4(e)), then the calendar year described in this paragraph (e)(2) is the calendar year that includes the tenth anniversary of the date of the employee's death.

(3) *10-year limit following death of eligible designated beneficiary.* If the employee's designated beneficiary is an eligible designated beneficiary (as determined in accordance with §1.401(a)(9)-4(e)), then the calendar year described in this

paragraph (e)(3) is the calendar year that includes the tenth anniversary of the date of the designated beneficiary's death.

(4) *10-year limit after minor child of the employee reaches age of majority.* If the employee's designated beneficiary is an eligible designated beneficiary only because the beneficiary is the child of the employee who has not reached the age of majority at the time of the employee's death, then the calendar year described in this paragraph (e)(4) is the calendar year that includes the tenth anniversary of the date the designated beneficiary reaches the age of majority.

(f) *Rules for multiple designated beneficiaries—*

(1) *Determination of applicable denominator—*

(i) *General rule.* Except as otherwise provided in paragraph (f)(1)(ii) of this section and §1.401(a)(9)-8(a), if the employee has more than one designated beneficiary, then the determination of the applicable denominator under paragraph (d) of this section is made using the oldest designated beneficiary of the employee.

(ii) *Applicable multi-beneficiary trusts.* If an employee's beneficiary is an applicable multi-beneficiary trust described in §1.401(a)(9)-4(g)(1), then only the trust beneficiaries described in §1.401(a)(9)-4(g)(1)(ii) are taken into account in determining the oldest designated beneficiary for purposes of paragraph (f)(1)(i) of this section.

(2) *Determination of when entire interest is required to be distributed—*

(i) *General rule*. Except as otherwise provided in paragraphs (f)(2)(ii) and (iii) of this section and §1.401(a)(9)-8(a), if an employee has more than one designated beneficiary, then paragraph (e)(1) of this section is applied with respect to the oldest of the employee's designated beneficiaries.

(ii) *Special rule for employee's minor child*. If any of the employee's designated beneficiaries is an eligible designated beneficiary because that designated beneficiary is described in §1.401(a)(9)-4(e)(1)(ii) (relating to the child of the employee who has not reached the age of majority at the time of the employee's death), then--

(A) Paragraph (e)(2) of this section does not apply;

(B) Paragraph (e)(3) of this section applies as if the death of the employee's eligible designated beneficiary does not occur until the death of all of the designated beneficiaries who are described in §1.401(a)(9)-4(e)(1)(ii); and

(C) Paragraph (e)(4) of this section applies as if the attainment of the age of majority of the employee's eligible designated beneficiary described in §1.401(a)(9)- 4(e)(1)(ii) does not occur until the youngest of those eligible designated beneficiaries reaches the age of majority.

(iii) *Applicable multi-beneficiary trust*. If an employee's beneficiary is an applicable multi-beneficiary trust described in §1.401(a)(9)-4(g)(1), then paragraph (e)(3) of this section applies as if the death of the employee's eligible designated beneficiary does not occur until the death of the last to survive of the trust beneficiaries who are described in §1.401(a)(9)-4(g)(1)(ii).

(g) *Special rules*—

(1) *Treatment of nonvested amounts.* If the employee's benefit is in the form of an individual account under a defined contribution plan, the benefit used to determine the required minimum distribution for any distribution calendar year will be determined in accordance with paragraph (a) of this section without regard to whether or not all of the employee's benefit is vested. If, as of the end of a distribution calendar year (or as of the employee's required beginning date, in the case of the employee's first distribution calendar year), the total amount of the employee's vested benefit is less than the required minimum distribution for the calendar year, only the vested portion, if any, of the employee's benefit is required to be distributed by the end of the calendar year (or, if applicable, by the employee's required beginning date). However, the required minimum distribution for the subsequent calendar year must be increased by the sum of amounts not distributed in prior calendar years because the employee's vested benefit was less than the required minimum distribution determined in accordance with paragraph (a) of this section.

(2) *Distributions taken into account*—

(i) *General rule*. Except as provided in this paragraph (g)(2), all amounts distributed from an individual account under a defined contribution plan are distributions that are taken into account in determining whether this section is satisfied for a calendar year, regardless of whether the amount is includible in income. Thus, for example, amounts that are excluded from income as recovery of investment in the contract under section 72 generally are taken into account for purposes of determining whether this section is satisfied for a calendar year. Similarly, amounts excluded from income as net unrealized appreciation on employer securities generally are taken into account for purposes of satisfying this section.

(ii) *Amounts not eligible for rollover*. An amount is not taken into account in determining whether this section is satisfied for a calendar year if that amount is described in §1.402(c)-2(c)(3) (relating to amounts that are not treated as eligible rollover distributions).

(iii) [Reserved]

(iv) [Reserved]

(3) *Surviving spouse election under section 401(a)(9)(B)(iv)*—

(i) *In general*. A defined contribution plan may include a provision, applicable to an employee whose sole beneficiary is that employee's surviving spouse, under which the surviving spouse may elect to be treated as the employee for purposes of determining the required minimum distribution for a calendar year under this section.

(ii) [Reserved]