



# IRS reminds those over age 72 to start withdrawals from IRAs and retirement plans to avoid penalties

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WASHINGTON — The Internal Revenue Service today reminded those who were born in 1950 or earlier that funds in their retirement plans and individual retirement arrangements face important upcoming deadlines for required minimum distributions to avoid penalties.

[Required minimum distributions](#), or RMDs, are minimum amounts that many retirement plan and IRA account owners must generally withdraw annually after they reach age 72. Account owners can delay taking their first RMD until April 1 following the later of the calendar year they reach age 72 or, in a workplace retirement plan, retire. RMDs are taxable income and may be subject to penalties if not timely taken.

**IRAs:** The RMD rules require [traditional IRA](#), and SEP, SARSEP, and SIMPLE IRA account holders to begin taking distributions at age 72, even if they're still working. Account holders reaching age 72 in 2022 must take their first RMD by April 1, 2023, and the second RMD by December 31, 2023, and each year thereafter.

**Retirement Plans:** In 401(k), 403(b) and 457(b) plans; profit-sharing and other defined contribution plans; and defined benefit plans, the first RMD is due by April 1 of the later of the year they reach age 72, or the participant is no longer employed (if allowed by the plan). A 5% owner of the employer must begin taking RMDs at age 72.

RMDs may not be rolled over to another IRA or retirement plan. See the [RMD Comparison Chart](#) that highlights some of the basic RMD rules that apply to IRAs and defined contribution plans. [Roth IRAs](#) do not require distributions while the original owner is alive.

## RMD Calculations and 50% tax on missed distributions

An IRA trustee, or plan administrator, must either report the amount of the RMD to the IRA owner or offer to calculate it. An IRA owner, or trustee, must calculate the RMD separately for each IRA owned. They may be able to withdraw the total amount from one or more of the IRAs. However, RMDs from workplace retirement plans must be taken separately from each plan.

Not taking a required distribution, or not withdrawing enough, could mean a 50% excise tax on the amount not distributed. The IRS has [worksheets](#) to calculate the RMD and payout periods.

## Inherited IRAs

An RMD may be required for an IRA, retirement plan account or Roth IRA inherited from the original owner.

[Retirement Topics - Beneficiary](#) has information on taking RMDs from an inherited IRA or retirement account and reporting taxable distributions as part of gross income. [Publication 559, Survivors, Executors and Administrators](#), can help those in charge of the estate complete and file federal income tax returns, and explains their responsibility to pay any taxes due on behalf of the decedent or person who has died.

## 2020 coronavirus-related distribution

Since 2020 RMDs were waived, an account owner or beneficiary who received an RMD in 2020 had the option of returning it to their IRA or other qualified plan to avoid paying taxes on that distribution. A 2020 RMD that qualified as a coronavirus-related distribution may be repaid over a 3-year period or have the taxes due on the distribution spread over three years.

A 2020 withdrawal from an inherited IRA could not be repaid to the inherited IRA but may be spread over three years for income inclusion. For more information see the [Coronavirus Relief for Retirement Plans and IRAs](#) page.

Taxpayers can find forms, instructions, publications, [Frequently Asked Questions regarding Required Minimum Distributions](#) and other easy-to-use tools at [IRS.gov](#).

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