

## New Law Waives Required Minimum Distributions for 2009

You may have heard that Former President Bush signed a law that waives Required Minimum Distributions (RMDs) for 2009. This law, the Worker, Retiree, and Employer Recovery Act of 2008, offers a moratorium on required minimum distributions from defined contribution plans and Individual Retirement Accounts (IRAs) for the entire calendar year 2009. It was proposed and quickly passed as law to help retirees recover losses incurred from the volatility of the market over the last months.

### What does this mean to our customers/clients?

- If they turn 70 ½ in 2009, they are not required to begin taking their RMD in 2009.
- If they are already 70 ½ or older, they are not required to continue to take their RMD in 2009.
- They may choose to take the distribution in 2009; the law removes the requirement to do so.
- If they are receiving distributions from an IRA that was inherited, they are not required to receive a post-death beneficiary RMD in 2009.

### Which accounts and plans are affected?

- Individual retirement accounts (IRAs)
- Simplified employee pension (SEP) IRAs
- Savings incentive match plan for employees (SIMPLE) IRAs
- Inherited IRAs
- Defined contribution plans (401(k) plans, 403(a) plans, 403(b) plans, governmental 457(b) plans, profit sharing plans, money purchase pension plans)

### Which accounts and plans are not affected?

- 2008 RMD which must be taken by April 1, 2009

For tax or legal advice please contact a tax or legal professional.

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