

**THE DIVISION OF RETIREMENT AND BENEFITS RETIREMENT
SYSTEM IRS COMPLIANCE POLICY IS HEREBY HEREBY AMENDED
EFFECTIVE JANUARY 1, 2024 BY H.R. 2954-117TH CONGRESS
“SECURING A STRONG RETIREMENT ACT (SECURE 2.0)”**

Amended to add:

Section 3, Teachers Retirement Systems Tiers 1, and 2 Defined Benefit Plan

F. INCREASE IN AGE FOR REQUIRED BEGINNING DATE FOR MANDATORY DISTRIBUTIONS.

(a) IN GENERAL.—[Section 401\(a\)\(9\)\(C\)\(i\)\(I\)](#) of the Internal Revenue Code of 1986 is amended by striking “age 72” and inserting “the applicable age”.

(b) SPOUSE BENEFICIARIES; SPECIAL RULE FOR OWNERS.—Subparagraphs (B)(iv)(I) and (C)(ii)(I) of section 401(a)(9) of such Code are each amended by striking “age 72” and inserting “the applicable age”.

(c) APPLICABLE AGE.—Section 401(a)(9)(C) of such Code is amended by adding at the end the following new clause:

“(v) APPLICABLE AGE.—

“(I) In the case of an individual who attains age 72 after December 31, 2022, and age 73 before January 1, 2030, the applicable age is 73.

“(II) In the case of an individual who attains age 73 after December 31, 2029, and age 74 before January 1, 2033, the applicable age is 74.

“(III) In the case of an individual who attains age 74 after December 31, 2032, the applicable age is 75.”.

(d) CONFORMING AMENDMENTS.—The last sentence of section 408(b) of such Code is amended by striking “age 72” and inserting “the applicable age (determined under section 401(a)(9)(C)(v) for the calendar year in which such taxable year begins)”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions required to be made after December 31, 2022, with respect to individuals who attain age 72 after such date.

H.R. 2954-117th Congress Securing a Strong Retirement Act (Secure 2.0 Section 106 AS 14.25.165,

G. RECOVERY OF RETIREMENT PLAN OVERPAYMENTS.

(a) OVERPAYMENTS UNDER INTERNAL REVENUE CODE OF 1986.—

(1) QUALIFICATION REQUIREMENTS.—[Section 414](#) of the Internal Revenue Code of 1986, as amended by this preceding provisions of this Act, is amended by adding at the end the following new subsection:

“(aa) SPECIAL RULES APPLICABLE TO BENEFIT OVERPAYMENTS.—

“(1) IN GENERAL.—A plan shall not fail to be treated as described in clause (i), (ii), (iii), or (iv) of section 219(g)(5)(A) (and shall not fail to be treated as satisfying the requirements of section 401(a) or 403) merely because—

“(A) the plan fails to obtain payment from any participant, beneficiary, employer, plan sponsor, fiduciary, or other party on account of any inadvertent benefit overpayment made by the plan, or

“(B) the plan sponsor amends the plan to increase past or future benefit payments to affected participants and beneficiaries in order to adjust for prior inadvertent benefit overpayments.

“(2) REDUCTION IN FUTURE BENEFIT PAYMENTS AND RECOVERY FROM RESPONSIBLE PARTY.—Paragraph (1) shall not fail to apply to a plan merely because, after discovering a benefit overpayment, such plan—

“(A) reduces future benefit payments to the correct amount provided for under the terms of the plan, or

“(B) seeks recovery from the person or persons responsible for such overpayment.

“(3) EMPLOYER FUNDING OBLIGATIONS.—Nothing in this subsection shall relieve an employer of any obligation imposed on it to make contributions to a plan to meet the minimum funding standards under sections 412 and 430 or to prevent or restore an impermissible forfeiture in accordance with section 411.

“(4) OBSERVANCE OF BENEFIT LIMITATIONS.—Notwithstanding paragraph (1), a plan to which paragraph (1) applies shall observe any limitations imposed on it by section 401(a)(17) or 415. The plan may enforce such limitations using any method approved by the Secretary of the Treasury for recouping benefits previously paid or allocations previously made in excess of such limitations.

“(5) COORDINATION WITH OTHER QUALIFICATION REQUIREMENTS.—The Secretary of the Treasury may issue regulations or other guidance of general

applicability specifying how benefit overpayments and their recoupment or non-recoupment from a participant or beneficiary shall be taken into account for purposes of satisfying any requirement applicable to a plan to which paragraph (1) applies.”.

(2) ROLLOVERS.—Section 402(c) of such Code is amended by adding at the end the following new paragraph:

“(12) In the case of an inadvertent benefit overpayment from a plan to which section 414(bb)(1) applies that is transferred to an eligible retirement plan by or on behalf of a participant or beneficiary—

“(A) the portion of such overpayment with respect to which recoupment is not sought on behalf of the plan shall be treated as having been paid in an eligible rollover distribution if the payment would have been an eligible rollover distribution but for being an overpayment, and

“(B) the portion of such overpayment with respect to which recoupment is sought on behalf of the plan shall be permitted to be returned to such plan and in such case shall be treated as an eligible rollover distribution transferred to such plan by the participant or beneficiary who received such overpayment (and the plans making and receiving such transfer shall be treated as permitting such transfer).

In any case in which recoupment is sought on behalf of the plan but is disputed by the participant or beneficiary who received such overpayment, such dispute shall be subject to the claims procedures of the plan that made such overpayment, such plan shall notify the plan receiving the rollover of such dispute, and the plan receiving the rollover shall retain such overpayment on behalf of the participant or beneficiary (and shall be entitled to treat such overpayment as plan assets) pending the outcome of such procedures.”.

(1) a good faith interpretation of then existing administrative guidance for inadvertent benefit overpayment recoupments and recoveries that commenced before the date of enactment of this Act, and

(2) determinations made before the date of enactment of this Act by the responsible plan fiduciary, in the exercise of its fiduciary discretion, not to seek recoupment or recovery of all or part of an inadvertent benefit overpayment.

In the case of a benefit overpayment that occurred prior to the December 31, 2023, any installment payments by the participant or beneficiary to the plan or any reduction in periodic benefit payments to the participant or beneficiary, which were made in recoupment of such overpayment and which commenced prior to such date, may continue after such date. Nothing in this subsection shall relieve a fiduciary from responsibility for an overpayment that resulted from a breach of its fiduciary duties.

H. UPDATING DOLLAR LIMIT FOR MANDATORY DISTRIBUTIONS.

(a) Certain mandatory distributions.—

(i) In general.—In case of a trust which is part of an **eligible plan**, such trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that if—

(I) a distribution described in clause (ii) in excess of \$7,000 is made, and

(II) the distributee does not make an election under subparagraph (A) and does not elect to receive the distribution directly,

the **plan administrator** shall make such transfer to an individual retirement plan of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of the notice under **section 402(f)**) that the distribution may be transferred to another individual retirement plan.

(ii) Eligible plan.—

For purposes of clause (i), the term “**eligible plan**” means a plan which provides that any nonforfeitable accrued benefit for which the present value (as determined under **section 411(a)(11)**) does not exceed \$7,000 shall be immediately distributed to the participant

For the State of Alaska Employees’ Teachers Retirement System Defined Benefits



Director Signature

Director

Title

5/6/2024

Date



Witnessed by

5/6/2024

Date

Retirement Operations Manger

Title