



IRS updates model 402(f) notices for SECURE Act

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IRS [Notice 2020-62](#) contains updated model rollover notices (402(f) notices) for retirement plan participants and beneficiaries receiving eligible rollover distributions from qualified retirement plans, 403(b) plans and eligible 457(b) plans maintained by governmental employers.

Updates for SECURE Act. The new notice modifies the previous safe harbor explanations from 2018 for the following changes in law made by the Setting Every Community Up for Retirement Enhancement (SECURE) Act ([Pub. L. No. 116-94](#)):

- The exception to the 10% early withdrawal penalty for qualified birth or adoption distributions
- The increase in the age to start required minimum distributions from 70.5 to 72 for participants born after June 30, 1949

Other minor updates. The updated models also include some minor modifications for clarity, including a new statement that payments of certain health and accident insurance premiums are not eligible rollover distributions.

Using the model notices. Notice 2020-62 includes an appendix with two model safe harbor explanations: one for distributions that are not from a designated Roth account, and a second for distributions from a designated Roth account. Individuals entitled to a distribution from both Roth and non-Roth accounts would receive both explanations. Employers may use the new models immediately but will need to update them for any changes in law occurring after Aug. 6, 2020. Employers can also forgo the models and craft their own explanations, as long as they contain all required information and can be easily understood by participants.

Related resources

Non-Mercer resources

- [Notice 2020-62](#) (IRS, Aug. 6, 2020)
- [Division O of Pub. L. No. 116-94, the SECURE Act](#) (Congress, Dec. 20, 2019)

Mercer Law & Policy resources

- [SECURE, CARES Acts change rules on required minimum distributions](#) (April 7, 2020)
- [SECURE Act leaves questions about distributions for birth or adoption](#) (Jan. 28, 2020)

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