

## Section 201.

(last updated 1/19/2023)

**Title:** Remove required minimum distribution barriers for life annuities

**Effective Date:** Calendar years ending after the date of enactment.

**Mandatory or Optional:** N/A

**Plans Affected:** All

**Previous Law:** All annuity payments must be non increasing or only increase following the limited exceptions. One exception is for annuity contracts purchased from insurance companies, which permits increases that meet an actuarial test. The current annuities actuarial test does not permit certain guarantees such as certain guaranteed annual increases, return of premium death benefits, and period certain guarantees for participating annuities.

**SECURE 2.0 Law:** Amends the RMD rules to relax these rules and permits commercial annuities that are issued in connection with any eligible retirement plan to provide additional types of payments, such as certain lump sum payments and annual payment increases at a rate less than 5% annually.

**Guidance and/or Correction Bills:**

- None