

## EB Flash: IRS Updates Section 402(f) Notice For Eligible Rollover Distributions

Employee Benefits Alert  
08.07.2020

The Internal Revenue Service (IRS) has issued [Notice 2020-62](#), which updates the "Section 402(f)" safe harbor notices (last updated in [Notice 2018-74](#)) provided to recipients of eligible rollover distributions from qualified retirement plans. The updated notices – one for distributions from designated Roth accounts, the other for all other distributions – reflect changes made by recently enacted legislation, including the Setting Every Community Up for Retirement Enhancement Act (SECURE Act). The guidance also addresses the effect of changes made in the Coronavirus Aid, Relief, and Economic Security (CARES) Act on this Section 402(f) notice.

The safe harbors can be used to comply with certain information requirements for recipients of eligible rollovers under [Internal Revenue Code section 402\(f\)](#).

The IRS explains that the two safe harbor explanations modify those issued in Notice 2018-74 to reflect:

- The exception to the 10 percent additional tax under [§ 72\(t\)\(1\)](#) for qualified birth or adoption distributions
- The increase to age 72 for required minimum distributions for employees born after June 30, 1949

[Section 2202\(a\) of the CARES Act](#) permits a qualified individual to receive a coronavirus-related distribution (CRD), which is treated as an eligible rollover distribution only for certain purposes, including indirect rollovers. The guidance reiterates that CRDs are not considered eligible rollover distributions under Code sections [401\(a\)\(31\)](#), [402\(f\)](#), and [3405](#). Therefore, no notice under Code section 402(f) is required for CRD distributions.

The guidance makes other minor clarifications, "including adding that payments of certain premiums for health and accident insurance are not eligible rollover distributions, rearranging bullets for readability, and spelling out acronyms when first used," the IRS notes.

The 29-page text of Notice 2020-62 is [posted here](#).

---

The information contained in this communication is not intended as legal advice or as an opinion on specific facts. This information is not intended to create, and receipt of it does not constitute, a lawyer-client relationship. For more information, please contact one of the senders or your existing Miller & Chevalier lawyer contact. The invitation to contact the firm and its lawyers is not to be construed as a solicitation for legal work. Any new lawyer-client relationship will be confirmed in writing.

This, and related communications, are protected by copyright laws and treaties. You may make a single copy for personal use. You may make copies for others, but not for commercial purposes. If you give a copy to anyone else, it must be in its original, unmodified form, and must include all attributions of authorship, copyright notices, and republication notices. Except as described above, it is unlawful to copy, republish, redistribute, and/or alter this presentation without prior written consent of the copyright holder.