

## Tax Alert – Estate Planning Department

Typically, the holder of a tax-deferred retirement account, such as a 401(k), IRA or 403(b), is required to take annual distributions, called minimum required distributions or MRDs, from the account once attaining age 70 ½. The newly enacted Worker, Retiree and Employer Recovery Act of 2008, grants a one-year suspension of the minimum required distributions rules for the tax year 2009.

Under the Act, no minimum required distributions are required for calendar year 2009 from individual retirement plans and employer-provided qualified retirement plans that are defined contribution plans. Any MRD which would otherwise be required in 2009 does not have to be made, allowing the retiree or account holder to leave the funds invested and growing for an additional income tax-deferred year. Employees, taking lifetime distributions under their own plans, as well as beneficiaries holding retirement funds after the death of the employee, are entitled to take advantage of this valuable suspension.

The usual MRDs will resume in the year 2010.

As always, if you have questions regarding this or other estate planning issues, do not hesitate to contact me.

Warm Regards,  
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