



STATE OF OKLAHOMA  
FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

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MEMORANDUM

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**TO:** OFPRS BOARD, STAFF, AND MEMBERS  
**FROM:** CHASE RANKIN, EXECUTIVE DIRECTOR   
**SUBJECT:** REQUIRED MINIMUM DISTRIBUTIONS PURSUANT TO CARES ACT  
**DATE:** AUGUST 28, 2020  
**CC:** ALL INTERESTED PARTIES

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In March 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act, better known as the "CARES Act".

Many of you have received questions regarding one piece of this legislation, the "Temporary Waiver of Required Minimum Distribution Rules for Certain Retirement Plans and Accounts" found in Sec. 2203 of the CARES Act. The CARES Act *only* enabled a taxpayer with a required minimum distribution ("RMD") due in 2020 from a defined contribution plan, including a 401(k) or 403(b) plan, or an individual retirement plan (also known as an "IRA") to skip those RMDs this year.

**Specifically, the Oklahoma Firefighters Deferred Option Plan ("Plan B") is not subject to the waiver of RMD rules outlined in the CARES Act because it is a defined benefit plan. In other words, the members or their beneficiaries of OFPRS are still required to take a RMD from their Plan B account should they meet the age requirements. Plan A benefits will also continue to be paid as usual during 2020.**

The OFPRS (both Plan A and Plan B) constitute a **defined benefit** plan under Section 401(a) of the Internal Revenue Code of 1986, as amended.

**A defined contribution plan** means a plan which provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant's account.  
*Comment:* In a defined contribution plan, there is no guaranteed investment return.

**A defined benefit plan** means any plan which is not a defined contribution plan.

**The Oklahoma Firefighters Pension and Retirement System is NOT a defined contribution plan.**

Attached you will find excerpts from the CARES Act and a related IRS announcement which explicitly state that the RMD waiver was only for defined contribution plans and individual retirement plans (also known as IRAs).

**Therefore, OFPRS Plan B account holders, who meet the age requirements for RMD will be required to take such RMD as scheduled in 2020.**

Should you have any questions, please do not hesitate to contact this office.



H. R. 748

CARES Act

One Hundred Sixteenth Congress  
of the  
United States of America

AT THE SECOND SESSION

*Began and held at the City of Washington on Friday,  
the third day of January, two thousand and twenty*

An Act

To amend the Internal Revenue Code of 1986 to repeal the excise tax on high cost employer-sponsored health coverage.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Coronavirus Aid, Relief, and Economic Security Act" or the "CARES Act".

**SEC. 2. TABLE OF CONTENTS.**

The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.

**DIVISION A—KEEPING WORKERS PAID AND EMPLOYED, HEALTH CARE  
SYSTEM ENHANCEMENTS, AND ECONOMIC STABILIZATION**

**TITLE I—KEEPING AMERICAN WORKERS PAID AND EMPLOYED ACT**

- Sec. 1101. Definitions.
- Sec. 1102. Paycheck protection program.
- Sec. 1103. Entrepreneurial development.
- Sec. 1104. State trade expansion program.
- Sec. 1105. Waiver of matching funds requirement under the women's business center program.
- Sec. 1106. Loan forgiveness.
- Sec. 1107. Direct appropriations.
- Sec. 1108. Minority business development agency.
- Sec. 1109. United States Treasury Program Management Authority.
- Sec. 1110. Emergency EIDL grants.
- Sec. 1111. Resources and services in languages other than English.
- Sec. 1112. Subsidy for certain loan payments.
- Sec. 1113. Bankruptcy.
- Sec. 1114. Emergency rulemaking authority.

**TITLE II—ASSISTANCE FOR AMERICAN WORKERS, FAMILIES, AND  
BUSINESSES**

**Subtitle A—Unemployment Insurance Provisions**

- Sec. 2101. Short title.
- Sec. 2102. Pandemic Unemployment Assistance.
- Sec. 2103. Emergency unemployment relief for governmental entities and nonprofit organizations.
- Sec. 2104. Emergency increase in unemployment compensation benefits.
- Sec. 2105. Temporary full Federal funding of the first week of compensable regular unemployment for States with no waiting week.
- Sec. 2106. Emergency State staffing flexibility.
- Sec. 2107. Pandemic emergency unemployment compensation.
- Sec. 2108. Temporary financing of short-time compensation payments in States with programs in law.
- Sec. 2109. Temporary financing of short-time compensation agreements.

the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(2) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to any provision of this section, or pursuant to any regulation issued by the Secretary of the Treasury or the Secretary of Labor (or the delegate of either such Secretary) under any provision of this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2022, or such later date as the Secretary of the Treasury (or the Secretary's delegate) may prescribe.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under clause (ii).

(B) CONDITIONS.—This subsection shall not apply to any amendment unless—

(i) during the period—

(I) beginning on the date that this section or the regulation described in subparagraph (A)(i) takes effect (or in the case of a plan or contract amendment not required by this section or such regulation, the effective date specified by the plan), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted), the plan or contract is operated as if such plan or contract amendment were in effect, and

(ii) such plan or contract amendment applies retroactively for such period.

→ SEC. 2263. TEMPORARY WAIVER OF REQUIRED MINIMUM DISTRIBUTION RULES FOR CERTAIN RETIREMENT PLANS AND ACCOUNTS.

(a) IN GENERAL.—Section 401(a)(9) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(I) TEMPORARY WAIVER OF MINIMUM REQUIRED DISTRIBUTION.—

“(i) IN GENERAL.—The requirements of this paragraph shall not apply for calendar year 2020 to—

“(I) a defined contribution plan which is described in this subsection or in section 403(a) or 403(b),

“(II) a defined contribution plan which is an eligible deferred compensation plan described in section 457(b) but only if such plan is maintained by an employer described in section 457(e)(1)(A), or

“(III) an individual retirement plan.

DC Plans only

H. R. 748—64

“(ii) SPECIAL RULE FOR REQUIRED BEGINNING DATES IN 2020.—Clause (i) shall apply to any distribution which is required to be made in calendar year 2020 by reason of—

“(I) a required beginning date occurring in such calendar year, and

“(II) such distribution not having been made before January 1, 2020.

“(iii) SPECIAL RULES REGARDING WAIVER PERIOD.—For purposes of this paragraph—

“(I) the required beginning date with respect to any individual shall be determined without regard to this subparagraph for purposes of applying this paragraph for calendar years after 2020, and

“(II) if clause (ii) of subparagraph (B) applies, the 5-year period described in such clause shall be determined without regard to calendar year 2020.”

(b) ELIGIBLE ROLLOVER DISTRIBUTIONS.—Section 402(c)(4) of the Internal Revenue Code of 1986 is amended by striking “2009” each place it appears in the last sentence and inserting “2020”.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply for calendar years beginning after December 31, 2019.

(2) PROVISIONS RELATING TO PLAN OR CONTRACT AMENDMENTS.—

(A) IN GENERAL.—If this paragraph applies to any plan or contract amendment—

(i) such plan or contract shall not fail to be treated as being operated in accordance with the terms of the plan during the period described in subparagraph (B)(ii) solely because the plan operates in accordance with this section, and

(ii) except as provided by the Secretary of the Treasury (or the Secretary's delegate), such plan or contract shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(B) AMENDMENTS TO WHICH PARAGRAPH APPLIES.—

(i) IN GENERAL.—This paragraph shall apply to any amendment to any plan or annuity contract which—

(I) is made pursuant to the amendments made by this section, and

(II) is made on or before the last day of the first plan year beginning on or after January 1, 2022.

In the case of a governmental plan, subclause (II) shall be applied by substituting “2024” for “2022”.

(ii) CONDITIONS.—This paragraph shall not apply to any amendment unless during the period beginning on the effective date of the amendment and ending on December 31, 2020, the plan or contract is operated as if such plan or contract amendment were in effect.



*IRS Announcement  
of Notice 2020-51*

# IRS announces rollover relief for required minimum distributions from retirement accounts that were waived under the CARES Act

IR-2020-127, June 23, 2020

WASHINGTON — The Internal Revenue Service today announced that anyone who already took a required minimum distribution (RMD) in 2020 from certain retirement accounts now has the opportunity to roll those funds back into a retirement account following the CARES Act RMD waiver for 2020.

The 60-day rollover period for any RMDs already taken this year has been extended to August 31, 2020, to give taxpayers time to take advantage of this opportunity.

The IRS described this change in Notice 2020-51 (PDF), released today. The Notice also answers questions regarding the waiver of RMDs for 2020 under the Coronavirus Aid, Relief, and Economic Security Act, known as the CARES Act.

The CARES Act enabled any taxpayer with an RMD due in 2020 from a defined-contribution retirement plan, including a 401(k) or 403(b) plan, or an IRA, to skip those RMDs this year. This includes anyone who turned age 70 1/2 in 2019 and would have had to take the first RMD by April 1, 2020. This waiver does not apply to defined-benefit plans.

In addition to the rollover opportunity, an IRA owner or beneficiary who has already received a distribution from an IRA of an amount that would have been an RMD in 2020 can repay the distribution to the IRA by August 31, 2020. The notice provides that this repayment is not subject to the one rollover per 12-month period limitation and the restriction on rollovers for inherited IRAs.

The notice provides two sample amendments that employers may adopt to give plan participants and beneficiaries whose RMDs are waived a choice as to whether or not to receive the waived RMD.

*Page Last Reviewed or Updated: 24-Jun-2020*