

**353D.071 FEDERAL COMPLIANCE.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Designated beneficiary" means the person designated as the beneficiary under section 353D.07, subdivision 5, and who is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401 (a)(9)-1, Q&A-4 of the Treasury regulations.

(c) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's required beginning date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subdivision 2, paragraph (c). The required minimum distribution for the participant's first distribution calendar year shall be made on or before the participant's required beginning date.

(d) "Participant's account balance" means the account balance as of the last valuation date in the valuation calendar year increased by the amount of any contributions made and allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(e) "Required beginning date" means the date a participant's retirement benefit must begin under section 356.635, subdivision 1, paragraph (a).

(f) "Valuation calendar year" means the calendar year immediately preceding the distribution calendar year.

Subd. 2. **Required minimum distributions.** (a) The provisions of this subdivision apply for purposes of determining required minimum distributions for calendar years and must take precedence over any inconsistent provisions of the plan. All distributions required under this section must be determined and made in accordance with the treasury regulations under section 401(a)(9) of the Internal Revenue Code, including regulations providing special rules for governmental plans, as defined under section 414(d) of the Internal Revenue Code, that comply with a reasonable good faith interpretation of the minimum distribution requirements.

(b) The participant's entire interest must be distributed or begin to be distributed no later than the participant's required beginning date.

(c) If the participant dies before the required minimum distribution is made or begins, the participant's account must be distributed in a lump sum no later than as follows:

(1) if the participant's surviving spouse is the participant's sole designated beneficiary, the distribution must be made by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained the participant's required beginning date, whichever is later;

(2) if the participant's surviving spouse is not the participant's sole beneficiary, or if there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's

account must be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death as directed under section 353D.07, subdivision 5; or

(3) if the participant's surviving spouse is the participant's sole designated beneficiary and the surviving spouse dies after the participant, but before the account balance is distributed to the surviving spouse, paragraph (c), clause (2), must apply as if the surviving spouse were the participant.

(d) For purposes of paragraph (c), unless clause (3) applies, distributions are considered to be made on the participant's required beginning date. If paragraph (c), clause (3), applies, distributions are considered to begin on the date distributions must be made to the surviving spouse under paragraph (c), clause (1).

**History:** 2008 c 349 art 5 s 25; 2015 c 68 art 13 s 25; 2021 c 22 art 3 s 11,12