

March 20, 2020

Dear Member of Congress,

On behalf of the National Active and Retired Federal Employees Association (NARFE), I respectfully urge you to support the inclusion of a provision to suspend required minimum distributions (RMDs) on retirement accounts for calendar year 2020 in the economic stimulus bill currently being negotiated.

The RMD calculation for 2020 is based on the retirement account balance as of December 31, 2019. Unfortunately, with the S&P 500 stock market index down by more than 25 percent since the beginning of the year, seniors will be forced to withdraw a far greater percentage of their retirement accounts than expected, or face a punishing 50 percent tax penalty. These required withdrawals will also force seniors to sell assets at stock values that have been depressed by the current crisis.

There is precedent for this action. The Worker, Retiree and Employer Recovery Act of 2008 temporarily suspended RMDs for the 2009 tax year. We are now experiencing a similar, severe decline in the stock market. With current distribution requirements based on a pre-crash market value (which was not the case in 2008/2009) the situation is even more concerning today.

There is already bipartisan support for the provision, as Senator Markey, D-MA, introduced legislation (S. 3527) to enact this policy on March 18, along with the original co-sponsorship of Senators Daines, R-MT, and Durbin, D-IL.

For these reasons, I urge you to support the inclusion of a provision to suspend required minimum distributions (RMDs) on retirement accounts for calendar year 2020 in the economic stimulus bill currently being negotiated. If you have any questions or concerns, please contact NARFE's Staff Vice President for Policy and Programs Jessica Klement at jklement@narfe.org.

Sincerely,



Ken Thomas
National President