



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ASSISTANT SECRETARY

DEC 17 2008

The Honorable George Miller
Chairman
Committee on Education and Labor
U.S. House of Representatives
Washington, DC 20515-6100

Dear Chairman Miller:

This letter follows up on our previous response to your letter regarding required minimum distributions from individual retirement arrangements (IRAs) and 401(k) plans in light of the recent financial downturn. In my letter, I noted that efforts had begun in Congress to provide temporary relief from the minimum distribution requirement and, at the same time, the Treasury Department and the Internal Revenue Service were considering ways this unanticipated situation could be ameliorated administratively. Since that time, Congress enacted the Worker, Retiree, and Employer Recovery Act of 2008 providing extensive relief to IRA holders and plan participants regarding required minimum distributions. The President is expected to sign this legislation in the near future.

After consulting with the Office of Tax Policy, I wanted to inform you that, because Congress has provided broad and direct relief with respect to this issue, the Treasury Department and the Internal Revenue Service have determined that any further change to the required minimum distribution rules should not be undertaken. The scope of Treasury's ability to make administrative changes has constraints. Thus, any steps Treasury could take would be substantially more limited than the relief enacted by Congress and could not be made available uniformly to all individuals subject to required minimum distributions. In addition, implementation of such changes would be complicated and confusing for individuals and plan sponsors. Thus, all individuals who are subject to required minimum distributions for 2008 should take their distribution under the existing rules and, as a result of relief provided by Congress, they will be entitled to a complete waiver of the requirement to take any distributions for 2009.

Thank you for your letter and concern about this important matter.

Sincerely,

Kevin I. Fromer
Assistant Secretary for Legislative Affairs