

**OREGON ADMINISTRATIVE RULE
PUBLIC EMPLOYEES RETIREMENT BOARD
CHAPTER 459
DIVISION 005 – ADMINISTRATION**

459-005-0570

Required Minimum Distributions, Individual Account Program (IAP)

(1) Definitions. The following definitions apply for the purposes of this rule:

(a) “Designated Beneficiary” means:

- (A) A natural person designated as a beneficiary by the member and who is not an eligible designated beneficiary; or
- (B) A trust that satisfies the requirements in section (2) of this rule.

(b) “Eligible Designated Beneficiary” means a natural person designated as a beneficiary by the member and who is determined on the date of the member’s death as:

- (A) The surviving spouse;
- (B) A child of the plan participant who has not reached majority;
- (C) Disabled (within the meaning of section IRC 72(m)(7));
- (D) A chronically ill individual within the meaning of section IRC 7702B(c)(2); or
- (E) Any other individual who is not more than 10 years younger than the plan participant.

(c) “Required Beginning Date” means the same as defined in OAR 459-005-0560(2)(a).

(2) A trust as beneficiary. If a trust is designated as a beneficiary, the individual beneficiaries of the trust will be treated as designated beneficiaries as defined in paragraph (1)(a)(B) if by December 31 of the calendar year following the death of a person who designated a trust as beneficiary, the trust satisfies the following conditions:

- (a) The trust must be irrevocable, or become irrevocable by its terms at the time of the person’s death;
- (b) The trust’s beneficiaries must be natural persons who are identifiable from the trust instrument; and
- (c) One of the following must be provided to PERS:

- (A) A list of all beneficiaries of the trust, including contingent beneficiaries, along with a description of the portion to which they are entitled and any conditions on their entitlement, all corrected certifications of trust amendments, and a copy of the trust instrument if requested by PERS; or
- (B) A copy of the trust instrument and copies of any amendments after they are adopted.

(3) Distributions to Beneficiaries of Retired Members under the IAP. If a retired member dies after the required beginning date, the remaining account balance distributed to:

- (a) An eligible designated beneficiary must be at least as rapidly as under the distribution method being used at the member's death; and
- (b) A designated beneficiary must be completed by December 31 of the calendar year containing the tenth anniversary of the member’s death.

(4) Distributions to designated beneficiaries and eligible designated beneficiaries of Active and Inactive Members under the IAP. If an active or inactive member dies before the required beginning date, any death benefits shall be distributed by no later than December 31 of the calendar year that contains the tenth anniversary of the member's death.

(5) Distributions under the IAP when there is no eligible designated beneficiary or designated beneficiary are as follows:

- (a) If a member dies before the required beginning date with no eligible designated beneficiary or designated beneficiary as defined in section (1) of this rule, the total account balance must be distributed by December 31 of the calendar year containing the fifth anniversary of the member’s death.
- (b) If the member dies after the required beginning date with no eligible designated beneficiary or designated beneficiary as defined in section (1) of this rule, the total account balance must be distributed no longer than the member’s life expectancy and the distribution must begin no later than December 31 of the calendar year immediately following the calendar year of the member's death.

Stat. Auth.: ORS 238A.450 & 238A.410

Stat. Implemented: ORS 238A.005 – 238A.410