

**Q. I took a Required Minimum Distribution (RMD) last year. I understand that this was not required. I assume that if I do not return this to my IRA account that I will need to report it on my 2020 tax return?**

**— Retired**

A. You are correct.

The CARES Act [waived the requirement](#) to take Required Minimum Distributions (RMDs) in 2020.

Because the law was not enacted until March 27, some people had already processed these distributions, said Marnie Hards, a certified financial planner with Aznar Financial Advisors in Morris Plains.

Originally, the change in the law did not allow individuals who took distributions very early in the year to return the RMD, but the IRS ended up providing [blanket relief](#) to anyone who had taken the RMD at any point in 2020, Hards said.

“The new provisions allowed taxpayers to [roll over the funds](#) and put them back into their IRA in order to avoid income taxes due on the distribution,” she said. “The typical 60-day rollover rule was waived under the new provision.”

Unfortunately, there was a deadline in place to return the funds by Aug. 31, 2020. So if you did not [return the funds](#) by then, you are not permitted to return the distribution that you took in 2020, she said.

“Keep in mind that if you are in a low tax bracket, it may not have a significant impact on your overall income tax situation since you will eventually have to withdraw the funds from your IRA in the future and pay taxes then, possibly on a larger amount if your account grows in value,” she said.

Email your questions to [Ask@NJMoneyHelp.com](mailto:Ask@NJMoneyHelp.com).

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