



TaxNewsFlash

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Notice 2024-77: Guidance under sections 414(aa) and 402(c)(12) regarding correction of inadvertent benefit overpayments

The IRS today released [Notice 2024-77](#) as guidance in the form of “questions and answers” (Q&As) on sections of the Code added by section 301(b) of Division T of the SECURE 2.0 Act of 2022:

- Section 414(aa) addresses the requirements of sections 401(a) and 403 with respect to inadvertent benefit overpayments.
- Section 402(c)(12) addresses the treatment of certain inadvertent benefit overpayments as eligible rollover distributions.

The notice provides guidance on the effect of sections 414(aa) and 402(c)(12) on the Employee Plans Compliance Resolution System (EPCRS), set forth in [Rev. Proc. 2021-30](#), including the impact on correction of inadvertent benefit overpayments.

Comments on the guidance in Notice 2024-77 and any other aspect of sections 414(aa) and 402(c)(12), including as those sections are affected by the provisions of section 301(c) and (d) of the SECURE 2.0 Act, are due by December 16, 2024.

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