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IRS Releases Updated Safe Harbor Rollover Notices – What Employers Sponsoring Retirement Plans Must Do Now

On January 15, 2026, the IRS issued **Notice 2026-13**,which provides updated safe harbor model rollover notices for changes enacted under the Secure 2.0 Act. The model notices replace prior safe harbor notices issued in 2020. If your organization sponsors a 401(k) or 403(b) retirement plan that permits rollover distributions, this update applies to you.

Why This Matters to Employers

Federal law requires that individuals receiving an eligible rollover distribution be provided with a written explanation of:

- Their rollover options
- The tax consequences of each option
- Required minimum distribution (RMD) rules
- Early withdrawal penalty rules

While employers are not required to use the IRS model language, doing so provides important compliance protection. Proper use of the safe harbor notice generally satisfies statutory requirements. Using outdated templates may create operational compliance risk.

What model notices are provided?

There are two model notices provided. One is for traditional pre-tax accounts and the other is for Roth Accounts.

What are the key changes reflected in the new safe harbor notices?

Key changes include:

- Expanded in-service distribution options
- New exceptions to the 10% early withdrawal penalty for terminal illness, emergency personal expenses, domestic abuse survivors, and qualified disaster recovery
- Required minimum distributions now beginning at age 73 or 75 depending on birth year, replacing the previous age 72
- Increased automatic dollar threshold for small lump-sum distributions from $5000 to $7000

When must we distribute the notices?

Notices must be distributed within a reasonable time before making an eligible rollover distribution. Currently, this generally means at least 30 days (unless waived by the participant) before the distribution date and no more than 90 days before the distribution date. Some employers rely on proposed regulations allowing delivery up to 180 days in advance, but timing should be confirmed with your attorney or, if applicable, your third party administrator.

Our recordkeeper handles distributions. Are we still responsible?

Yes. The employer, as plan sponsor, retains oversight responsibility.

What are the potential consequences of using outdated rollover notices?

- Participants receive incomplete or inaccurate tax information
- Operational failures requiring IRS correction procedures
- Increased fiduciary exposure
- Additional administrative and legal costs

Where can I find the notices?

The safe harbor notices can be found on the IRS website at:
https://www.irs.gov/pub/irs-drop/n-26-13.pdf

Recommended Next Steps for Employers

- Confirm your third party administrator has implemented the Notice 2026-13 templates
- Replace any older Notice 2020-62 versions
- Review distribution procedures for alignment with SECURE 2.0 updates

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