California State Controller Malia M. Cohen

Unclaimed Property Division

Reporting and Remitting Retirement Accounts

This guide is intended to help answer the most common questions about reporting and remitting unclaimed retirement accounts to California.

Common Retirement Account Escheatment Questions and Answers

What types of retirement accounts escheat?

Any funds held in any of the following types of retirement accounts escheat to the State under Unclaimed Property Law (UPL). Refer to *California Code of Civil Procedure (CCP) sections 1513 and 1518*:

- An individual retirement account (IRA);
- A retirement plan for self-employed individuals; or
- A similar account or plan created per the internal revenue laws of the United States.

When is a retirement account reportable?

A retirement account is reportable if, for more than three years after the account has become payable or distributable under the UPL, the owner has not done any of the following (CCP section 1513(a)(6)):

- Increased or decreased the principal;
- Accepted payment of principal or income;
- Owned another active IRA or deposit or account with the holder;
- Corresponded in writing concerning the account; or
- Otherwise indicated an interest in the account.

When is a retirement account payable or distributable under the UPL?

An IRA, a retirement plan for self-employed individuals, or similar account or plan established pursuant to the internal revenue laws of the United States or of this state becomes payable or distributable under the UPL if:

- Under the terms of the account or plan, distribution of all or a part of the funds would then be mandatory; or
- For an account or plan not subject to mandatory distribution requirement under the internal revenue laws of the United States or the laws of this state (such as a Roth IRA), the owner has attained 70½ years of age.

What is the Federal Required Minimum Distribution (RMD) age for a retirement account owner?

Beginning January 1, 2020, the SECURE Act updated the RMD age specified in the Internal Revenue Code from the year after the owner reaches 70½ to the year after the owner reaches 72. This change does not impact the RMD requirements for an individual who reached 70½ during or before 2019.

Is income withheld from unclaimed retirement accounts?

Holders that report retirement accounts should be advised that [Revenue Ruling 2018-17] went into effect on January 1, 2020. The National Association of Unclaimed Property Administrators (NAUPA) provided the [guidance] on how holders should apply the [NAUPA reporting standards] when reporting traditional IRAs.

NOTICE REPORT

Do I report tax withholdings on the Notice Report?

No. The Notice Report should identify the full amount of the property without tax withholdings. The owner may contact you during the notice period to reactivate their account.

1. Property Details

Prop Type: IR01	**Property Status:** Reportable	**Last Activity Date:** 12/1/2010	**Interest Rate %:** 0.00
Acct #: 123456	**Check #:**	**Comments:**	
Cash to Report: $10,000.00	**Additions:** $0.00	**Deductions:** $0.00	**Cash to Remit:** $10,000.00

REMIT REPORT

How do I report tax withholdings on the Remit Report?

1. Report the full amount of the property without tax withholding,
2. Add a deduction amount that is the total of all deductions (Federal, State, Due Diligence, Other).
3. Use TW—Tax Withholding for the Property Deduction Type code.
   - In the event of multiple deductions, the Tax Withholding code should take priority.
4. Itemize the deductions in the Description or Comments field for the property.
   - If the itemized deductions will not fit in the designated field, holders may include a detailed list of deductions with the report.
5. The remitted amount should reflect the total reported cash minus all deductions.

2. Property Details

Prop Type: IR01	**Property Status:** Reportable	**Last Activity Date:** 12/1/2010	**Interest Rate %:** 0.00
Acct #: 123456	**Check #:**	4 **Comments:** $799 FED, $197 CA, $2 MC, $2 SW	
1 **Cash to Report:** $10,000.00	**Additions:** $0.00	3 **Deductions:** $1,000.00 2 *Income Tax Withheld*	5 **Cash to Remit:** $9,000.00

Attend a Free Webinar

Visit the training and tutorials page on the State Controller's website to sign up.

We're Here to Help!

The Outreach and Compliance Unit (OCU) educates holders through webinars, speaking engagements, and more. Visit the training and tutorials page for up-to-date information or to contact the OCU to schedule one-on-one assistance.

Outreach & Compliance Unit

(916) 464-6088

UPDHolderOutreach@sco.ca.gov

GoReport.sco.ca.gov

www.claimit.ca.gov