

SEC. 327. SURVIVING SPOUSE ELECTION TO BE TREATED AS EMPLOYEE.

(a) IN GENERAL.—Section 401(a)(9)(B)(iv), as amended by this Act, is further amended to read as follows:

“(iv) SPECIAL RULE FOR SURVIVING SPOUSE OF EMPLOYEE.—If the designated beneficiary referred to in clause (iii)(I) is the surviving spouse of the employee and the surviving spouse elects the treatment in this clause—

- (I) the regulations referred to in clause (iii)(II) shall treat the surviving spouse as if the surviving spouse were the employee,
- (II) the date on which the distributions are required to begin under clause (iii)(III) shall not be earlier than the date on which the employee would have attained the applicable age, and
- (III) if the surviving spouse dies before the distributions to such spouse begin, this subparagraph shall be applied as if the surviving spouse is the employee.

An election described in this clause shall be made at such time and in such manner as prescribed by the Secretary, shall include a timely notice to the plan administrator, and once made may not be revoked except with the consent of the Secretary.”.

(b) EXTENSION OF ELECTION OF AT LEAST AS RAPIDLY RULE.— The Secretary shall amend Q&A–5(a) of Treasury Regulation section 1.401(a)(9)–5 (or any successor regulation thereto) to provide that if the surviving spouse is the employee’s sole designated beneficiary and the spouse elects treatment under section 401(a)(9)(B)(iv), then the applicable distribution period for distribution calendar years after the distribution calendar year including the employee’s date of death is determined under the uniform lifetime table.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2023.

