



UNCLAIMED PROPERTY ALERT

Illinois proposes age 72 as a retirement account trigger - IL HB 4573

On February 5, 2020, the Illinois House of Representatives introduced HB 4573 which proposes to revise the Uniform Unclaimed Property Act in several sections. Among other revisions, Illinois is the first state to revise their provision for the presumption of abandonment of tax-deferred retirement accounts to increase the age from 70.5 to 72 as a result of the SECURE Act passage in December of 2019. Under the SECURE Act, the Internal Revenue Code was updated to increase the required minimum distribution (RMD) date from 70.5 to 72. Should HB 4573 pass, the Illinois Uniform Unclaimed Property Act will be in sync with the federal Internal Revenue Code. Additional details of HB 4573 include:

Virtual Currency

If passed, the definition of virtual currency will be updated to mean “any type of digital unit, including cryptocurrency, used as a medium of exchange, unit of account, or form of digitally stored value, which does not have legal tender status recognized by the United States.”

A provision for the dormancy period of virtual currency is proposed at five years after the last indication of interest in the property.

When tax-deferred and tax-exempt retirement accounts presumed abandoned

Upon passage, this section would be updated to include “tax-exempt” retirement accounts in this provision. This would include Roth IRAs in the same provision as traditional IRA accounts since Roth IRAs are tax-exempt but not tax-deferred.

As noted above, the provision also updates the age of the apparent owner from 70.5 to 72 in paragraph (a)(2)(A) in determining when the retirement account is presumed abandoned.

United States savings bonds

Section 15-213(a) has a proposed update that would eliminate the requirement for the savings bond to be in the possession of the administrator.

Negative Reports

A new provision is proposed that would require negative reports for business associations who have:

- Annual sales of more than \$1,000,000;
- Securities that are publicly traded;
- A net worth of more than \$10,000,000; or
- More than 100 employees.

Other proposed state administrative provisions – See full text of bill.

What does this mean to you?

If passed, the only provision mentioned above that would potentially impact all holders is the negative report provision. It is likely that most holders will meet one or more of the criteria listed and will therefore be required to file negative reports with Illinois in years they have nothing to report.

Holders of other property types will need to analyze potential system changes necessary to comply with the Illinois law should the bill pass in addition to ensuring third party vendors are also in compliance with the new law.

The full text of the bill can be found [here](#).

This article is intended for informational purposes and is not to be considered legal advice. For additional questions concerning this alert, contact Dana Terry at dterry@georgeson.com or 201-539-1998.

Georgeson actively tracks legislative changes and periodically reaches out to states for updates. Review previous Unclaimed Property Alerts:

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