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The IRS's Ruling on Uncashed Distribution Checks and Their Replacements

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On July 16, 2025, the IRS issued guidance regarding uncashed retirement plan distribution checks and subsequent replacement checks.

[Revenue Ruling 2025-15](#) clarifies that the fact that a distribution check remains uncashed does not change the plan's withholding and reporting requirements. Because the distribution was actually made, the employer would not be entitled to a refund of federal income tax withholdings on the distribution. The IRS clarified that these principles apply even if the check is returned as undeliverable.

Additionally, if the uncashed check is later canceled and reissued, the replacement check will not trigger additional Form 1099-R reporting or withholding requirements if the amount of the distribution is the same or less than the original amount. However, if the amount of the distribution increased (for example, because of earnings), the plan is required to report and withhold the increase as a new distribution unless an exception applies, such as the exception for withholding on eligible rollover distributions totaling less than \$200 in a year.