



Calculate Your RMD as Easy as 1-2-3

A required minimum distribution (RMD) is the minimum amount that must be withdrawn from your retirement account each year. Traditional IRA owners are subject to RMDs beginning in the year in which they turn age 70 ½. Most participants in 401(k) and similar plans must begin RMDs at the same time.

1. Determine Your Distribution Year

The distribution year is the year for which you are taking a distribution, not necessarily the year in which you take that distribution. For instance, if you turn age 70 ½ in 2016, you do not have to take your first RMD until April 1, 2017. If you wait until April 1, 2017 to take that distribution however, the distribution year is still for 2016. In addition, you will have to take a second distribution by the end of 2017 for 2017. After the year you turn age 70 ½, all distributions should be made by December 31 of the year for which they are being taken.

2. Get Your Year-End Balance

Look at the December 31 statement for the year *before* your distribution year and note the ending balance. Add back any outstanding rollovers, recharacterizations or return of excess qualifying longevity annuity contract premiums (QLACs) as necessary.

3. Multiply Your Year-End Balance by the Appropriate Percentage

How old did you turn on your birthday in your distribution year? Use that age to look up the appropriate RMD percentage using the chart we've provided *to the right*. Multiply your prior year-end balance from step #2 by that percentage and voila! You have your RMD calculated.

Bonus Tip Coordinate Your RMDs Carefully!

You may take the total of your IRA RMDs from any one, or combination of your IRAs as you see fit. The same is true for your 403(b) accounts. RMDs for all of your other types of retirement accounts **cannot** be aggregated.

Uniform Lifetime Table Converted to Percentages			
Age of IRA Owner or Participant	RMD as a % of Account Balance**	Age of IRA Owner or Participant	RMD as a % of Account Balance**
70	3.65%	93	10.42%
71	3.78%	94	10.99%
72	3.91%	95	11.63%
73	4.05%	96	12.35%
74	4.21%	97	13.16%
75	4.37%	98	14.09%
76	4.55%	99	14.93%
77	4.72%	100	15.88%
78	4.93%	101	16.95%
79	5.13%	102	18.19%
80	5.35%	103	19.24%
81	5.59%	104	20.41%
82	5.85%	105	22.23%
83	6.14%	106	23.81%
84	6.46%	107	25.65%
85	6.76%	108	27.03%
86	7.10%	109	29.42%
87	7.47%	110	32.26%
88	7.88%	111	34.49%
89	8.34%	112	38.47%
90	8.78%	113	41.67%
91	9.26%	114	47.62%
92	9.81%	115+	52.64%

If you have named your spouse as the sole beneficiary of your retirement account, and your spouse is more than 10 years younger than you, then you are eligible to calculate your RMD using a special table (Joint Life Expectancy Table). The percentage you must withdraw from your retirement account each year will be less than what is shown in the table above.

**Note: All RMD percentages are rounded up to the nearest hundredth percent to ensure that you do not have a shortfall with regard to an RMD.

Questions?

To discuss retirement strategies, speak with the financial professional who sent you this information.