

Calculating IRA Required Minimum Distributions (RMDs)

RMDs - When?

RMDs begin starting with the year a Traditional IRA owner* reaches age 73.

An IRA owner must withdraw the first year's RMD by the required beginning date (RBD). An IRA owner's RBD is April 1 of the year following the year for which the IRA owner is required to take their first RMD.

Each subsequent RMD must be taken by December 31st of the applicable RMD year.

Note: Traditional IRA owners* with a date of birth after December 31, 1959 will not be required to begin RMDs until the year they reach 75 years of age. As well, Traditional IRA owners* with a date of birth prior to January 1, 1951, were required to start their RMDs Note: Traditional IRA owners* with a date of birth after December 31, 1959 will not be required to begin RMDs until the year they reach 75 years of age. As well, Traditional IRA owners* with a date of birth prior to January 1, 1951, were required to start RMDs, based on their birth date, either in the year they reached 70½ or 72 years of age.

*Includes Traditional, Traditional SEP, and Traditional SIMPLE IRA owners.

RMDs – How?

$$\text{IRA Balance} / \text{Applicable Denominator} = \text{RMD}$$

IRA Balance = The IRA account balance (the dividend) is the amount in the IRA at the end of the year preceding the year for which the RMD is being figured. The IRA account balance is *adjusted by outstanding rollovers or transfers* that are not in any account at the end of the preceding year.

Applicable Denominator = The applicable denominator (the divisor) is the maximum number of years over which an individual is allowed to take distributions from their IRA. RMDs during the IRA owner's lifetime are generally based on an applicable denominator that is determined using the Uniform Lifetime Table.

An exception applies if the IRA owner's spouse who is more than 10 years younger than the IRA owner is the sole named beneficiary for the entire distribution year. When the exception applies, the table that is used is the Joint and Last Survivor Expectancy Table.



Uniform Lifetime Table
(The following table applies beginning 2022)

<i>Age of employee</i>	<i>Applicable Denominator</i>
72	27.4
73	26.5
74	25.5
75	24.6
76	23.7
77	22.9
78	22.0
79	21.1
80	20.2
81	19.4
82	18.5
83	17.7
84	16.8
85	16.0
86	15.2
87	14.4
88	13.7
89	12.9
90	12.2
91	11.5
92	10.8
93	10.1
94	9.5
95	8.9

96	8.4
97	7.8
98	7.3
99	6.8
100	6.4
101	6.0
102	5.6
103	5.2
104	4.9
105	4.6
106	4.3
107	4.1
108	3.9
109	3.7
110	3.5
111	3.4
112	3.3
113	3.1
114	3.0
115	2.9
116	2.8
117	2.7
118	2.5
119	2.3
120 +	2.0



Joint and Last Survivor Table
(The following table applies beginning 2022)

Ages	54	55	56	57	58	59	60	61	62
70	33.8	33.0	32.2	31.4	30.7	29.9	29.2	28.5	27.9
71	33.6	32.8	32.0	31.2	30.5	29.7	29.0	28.3	27.6
72	33.5	32.7	31.9	31.1	30.3	29.5	28.8	28.1	27.4
73	33.4	32.6	31.7	30.9	30.1	29.4	28.6	27.9	27.2
74	33.3	32.4	31.6	30.8	30.0	29.2	28.4	27.7	27.0
75	33.2	32.4	31.5	30.7	29.9	29.1	28.3	27.5	26.8
76	33.1	32.3	31.4	30.6	29.8	29.0	28.2	27.4	26.6
77	33.0	32.2	31.3	30.5	29.7	28.8	28.0	27.3	26.5
78	33.0	32.1	31.2	30.4	29.6	28.7	27.9	27.1	26.4
79	32.9	32.0	31.2	30.3	29.5	28.7	27.8	27.0	26.2
80	32.9	32.0	31.1	30.3	29.4	28.6	27.8	26.9	26.1
81	32.8	31.9	31.1	30.2	29.3	28.5	27.7	26.9	26.0
82	32.8	31.9	31.0	30.1	29.3	28.4	27.6	26.8	26.0
83	32.7	31.8	31.0	30.1	29.2	28.4	27.5	26.7	25.9
84	32.7	31.8	30.9	30.0	29.2	28.3	27.5	26.7	25.8

Penalty for Failure to Remove a Required Minimum Distribution

If there are no distributions, or if the total amount of distributions is not large enough, the IRA owner may have to pay a 25 percent excise tax (penalty) on the amount not distributed as required. This excise tax which is called the excess accumulation penalty may be reduced to 10% if both a corrective distribution is taken, and a modified federal income tax return is submitted within the applicable correction window.

Just For Fun! What is the IRA balance used for the RMD?

Prior year December 31 balance: \$65,000

Outstanding rollovers: \$5,000

IRA balance for the RMD: \$_____

Prior year December 31 balance: \$65,000

Outstanding rollovers totaling \$12,000

Prior year contribution on April 12 of current year: \$3,500

IRA balance for the RMD : \$_____



Just For Fun! What is the applicable denominator used for the RMD?

IRA Owner Age 73

Spouse Beneficiary Age 75 _____

IRA Owner Age 74

Spouse Beneficiary Age 76 _____

IRA Owner Age 80

Spouse Beneficiary Age 83 _____

IRA Owner Age 81

Spouse Beneficiary Age 54 _____

Just For Fun! What is the RMD?

Prior Year's December 31 Balance: \$234,000

IRA Owner's Age: 73

Beneficiary: Daughter

Beneficiary's Age: 51

Which table will be used to calculate the RMD? _____

Why? _____

And the RMD is? _____

Prior Year's December 31 Balance: \$234,000

IRA Owner's Age: 73

Beneficiary: None

Beneficiary's Age: NA

Which table will be used to calculate the RMD? _____

Why? _____

And the RMD is? _____

Prior Year's December 31 Balance: \$234,000

IRA Owner's Age: 73

Beneficiary: Spouse

Beneficiary's Age: 56

Which table will be used to calculate the RMD? _____

Why? _____

And the RMD is? _____

