Calculating IRA Required Minimum Distributions (RMDs)

RMDs - When

Jan – June	July – Dec
Birth year	Birth year
+ 70	+ 71
70½ year	70½ year
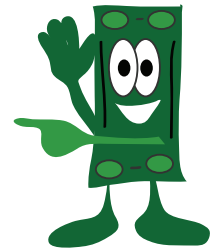
The following April 1 is the applicable RBD

70½ in 2013	**70½ in 2014**
2013 RMD due out by 4/1/2014	**RMD due out by 4/1/2015**
2014 RMD due out by 12/31/2014	**2015 RMD due out by 12/31/2015**

RMDs – How?
IRA Balance/Distribution Period = 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 required minimum distribution is being figured. The IRA account balance is *adjusted by outstanding rollovers and recharacterizations of Roth IRA conversions* that are not in any account at the end of the preceding year.

Distribution Period = The distribution period (the divisor) is the maximum number of years over which an individual is allowed to take distributions from his or her IRA. Required minimum distributions during the IRA owner's lifetime are based on a distribution period that is determined using the Uniform Lifetime Table. An exception applies if the IRA owner's sole primary beneficiary is a spouse who is more than 10 years younger than the IRA owner, and that spouse has been the sole named beneficiary for the entire year. When the exception applies, the table that is used is the Joint and Last Survivor Table.

Uniform Lifetime Table

IRA Owner's Age	Life Expectancy	IRA Owner's Age	Life Expectancy
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115 and over	1.9

Joint and Last Survivor Table

Ages	50	51	52	53	54	55	56	57	58	59
70	35.1	34.3	33.4	32.6	31.8	31.1	30.3	29.5	28.8	28.1
71	35.0	34.2	33.3	32.5	31.7	30.9	30.1	29.4	28.6	27.9
72	34.9	34.1	33.2	32.4	31.6	30.8	30.0	29.2	28.4	27.7
73	34.8	34.0	33.1	32.3	31.5	30.6	29.8	29.1	28.3	27.5
74	34.8	33.9	33.0	32.2	31.4	30.5	29.7	28.9	28.1	27.4
75	34.7	33.8	33.0	32.1	31.3	30.4	29.6	28.8	28.0	27.2
76	34.6	33.8	32.9	32.0	31.2	30.3	29.5	28.7	27.9	27.1
77	34.6	33.7	32.8	32.0	31.1	30.3	29.4	28.6	27.8	27.0
78	34.5	33.6	32.8	31.9	31.0	30.2	29.3	28.5	27.7	26.9
79	34.5	33.6	32.7	31.8	31.0	30.1	29.3	28.4	27.6	26.8
80	34.5	33.6	32.7	31.8	30.9	30.1	29.2	28.4	27.5	26.7
81	34.4	33.5	32.6	31.8	30.9	30.0	29.2	28.3	27.5	26.6
82	34.4	33.5	32.6	31.7	30.8	30.0	29.1	28.3	27.4	26.6
83	34.4	33.5	32.6	31.7	30.8	29.9	29.1	28.2	27.4	26.5
84	34.3	33.4	32.5	31.7	30.8	29.9	29.0	28.2	27.3	26.5
85	34.3	33.4	32.5	31.6	30.7	29.9	29.0	28.1	27.3	26.4
86	34.3	33.4	32.5	31.6	30.7	29.8	29.0	28.1	27.2	26.4
87	34.3	33.4	32.5	31.6	30.7	29.8	28.9	28.1	27.2	26.4
88	34.3	33.4	32.5	31.6	30.7	29.8	28.9	28.0	27.2	26.3
89	34.3	33.3	32.4	31.5	30.7	29.8	28.9	28.0	27.2	26.3

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 50 percent excise tax (penalty) on the amount not distributed as required.

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

Prior year December 31 balance: $65,000

Outstanding rollovers: $5,000

No recharacterizations

IRA balance for RMD purposes: $_____

Prior year December 31 balance: $65,000

Outstanding rollovers totaling $12,000

Outstanding recharacterized conversion: $25,000

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

IRA balance for RMD purposes: $_____

Just For Fun! What is the distribution period used for RMD purposes?

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 53 _____

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? _____