SAVING & INVESTING

Background additional IRAs to t savings by allowing their savings from taxes IRA REQUIRED MINIMUM

DISTRIBUTIONS

A Little Background

Congress created Traditional IRAs to encourage retirement savings by allowing individuals to shield their savings from taxes. The intent was to promote financial security in retirement, not to promote tax-free transfers of wealth from one generation to the next. Accordingly, the laws governing Traditional IRAs require that, at a certain age, IRA owners begin taking annual withdrawals from their Traditional IRAs. These distributions are called required minimum distributions (RMDs for short). The RMD requirements also apply to SEP IRAs and SIMPLE IRAs, but do not apply to Roth IRAs during the life of the primary IRA owner.

Learn more today.

YOUR FIRST RMD

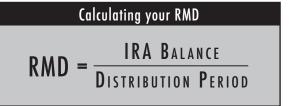
The first year for which you must withdraw a required minimum distribution (RMD) varies depending on the year you were born.

As a general rule, you must take each year's RMD by no later than December 31. However, for your first distribution year, you have until April 1 of the next year (your "required beginning date," or RBD) to take your first year's RMD. Regardless of when you take your first RMD, you must take your subsequent RMDs by December 31 of each year.

Your first distribution year:

Your date of birth	First distribution year
6/30/1949 or earlier	Age 70½
7/1/1949 - 12/31/1950	Age 72
1/1/1951 - 12/31/1959	Age 73
1/1/1960 or later	Age 75





Your IRA balance is the balance in your IRA on

December 31 of the prior year*. The

distribution

period is typically determined according to the IRS's Uniform Lifetime table based on your attained age for the applicable year. However, if your spouse is your sole primary beneficiary and is more than ten years younger than you, the IRS's Joint and Last Survivor table is used, thereby reducing the amount of your RMD.

*Under certain limited circumstances, adjustments may be required to the December 31 IRA balance.

AVOIDING IRS PENALTIES

Once you become subject to RMDs, you must withdraw at least the RMD amount each year or face an IRS penalty. The IRS penalty for failing to take an RMD could be as high as 25% of the RMD amount that was not taken.



You are ultimately responsible

for taking your RMD by the required deadline, but we're here to help. Once you are subject to RMDs, we'll notify you that an RMD must be withdrawn for the year and the date by which you must take your RMD. In addition, we will either tell you the amount you must take or who to contact for assistance in determining the RMD amount.

LOOKING FOR A CREATIVE RMD SOLUTION?

If you are at least 70½ years of age, you are eligible to transfer up to \$100,000 per year—on a tax-free basis—from your Traditional IRA to a qualified charitable organization of your choosing. Such transfers are referred to as qualified charitable distributions (QCDs). Even though QCDs are tax free, they still count toward satisfying your RMD for the year (meaning you can satisfy your RMD requirement without incurring a tax hit).

RMD AGGREGATION IS ALSO AN OPTION

While you must calculate your RMDs separately for each Traditional IRA you own, you may withdraw the total of your RMD amounts from any one or more of those IRAs. Doing so is often referred to as RMD aggregation.