

RUBINO & LIANG

WEALTH PARTNERS, LLC

ABCs of RMDs

Here are seven things to keep in mind once you reach the age when you must withdraw required minimum distributions (RMDs):

1. Starting at age 70 ½, you have to withdraw a percentage of money from many types of retirement accounts based on the previous year's ending values of those accounts. The minimum amount you must annually withdraw is called a required minimum distribution and based on one of two schedules that depend on your marital status and the age difference between you and your spouse.
2. Withdrawals from pre-tax retirement plans can be taxed as current income.
3. If you have remaining employer-sponsored retirement accounts, such as a 401(k) or 403(b), you will have to withdraw your RMD from that account — unlike IRAs, which allow you to choose which account you take the withdrawal from. So, if you wanted to, you could take all of the RMDs from a single IRA. But, that's not how it works for employer-sponsored investment accounts.
4. You must calculate your first RMD the year you turn 70 ½. However, the first payment can be delayed until April 1 of the year following the year you turn 70 ½. For all subsequent years, the RMD must be made before December 31. If you delay the initial year's payment of the RMD to April 1, you will still have to take the current year's payment by December 31.
5. If you fail to withdraw your correct RMD amount(s) by the deadline, the IRS has the right to impose a fine of 50% of the value you failed to take out, in addition to the taxes on that balance.
6. There are specific RMD rules for survivors taking distributions from spouses' or parents' IRAs.
7. You can make qualified charitable distributions (QCDs) directly from your IRA accounts to a qualified charity and have those contributions count toward your RMD. Monies distributed in this manner are not included in your adjusted gross income.

So, RMDs can be complicated and should be taken seriously.
Call us to set up a retirement blueprint for you and your RMDs to help you
avoid mistakes during your mandatory withdrawal period.

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IRA Required Minimum Distribution Worksheet

Use this worksheet to figure this year's required withdrawal for your traditional IRA UNLESS your spouse¹ is the sole beneficiary of your IRA and he or she is more than 10 years younger than you.

Deadline for receiving required minimum distribution:

- Year you turn age 70 ½ - by April 1 of the following year
- All subsequent years - by December 31 of that year

1. IRA balance² on December 31 of the previous year. \$ _____
2. Distribution period from the table below for your age on your birthday this year. _____
3. Line 1 divided by number entered on line 2. This is your required minimum distribution for this year from this IRA. \$ _____
4. Repeat steps 1 through 3 for each of your IRAs.

Table III (Uniform Lifetime)

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

Once you determine a separate required minimum distribution from each of your traditional IRAs, you can total these minimum amounts and take them from any one or more of your traditional IRAs.

For additional information, see:

- [Publication 590-B, Distributions from Individual Retirement Arrangements \(IRAs\)](#)
- [Retirement Topics – Required Minimum Distributions](#)

¹ Generally, your marital status is determined as of January 1 of each year. If your spouse is the beneficiary of your IRA on January 1, he or she remains a beneficiary only for purposes of calculating the required minimum distribution for that IRA even if you get divorced or your spouse dies during the year.

² You must increase your IRA balance by any outstanding rollover and recharacterized Roth IRA conversions that were not in any traditional IRA on December 31 of the previous year.