

Required Minimum Distributions “RMD” FAQs

Q: When do I have to begin withdrawing from my IRA account?

A: Your first RMD must be taken no later than April 1st of the year following the year you turn 70 ½. This occurs when you reach age 70 ½ on the date that is six (6) calendar months after the date of your 70th birthday

Q: When do I have to withdraw my next distribution, and do I have to withdraw every year?

A: After an IRA owner’s very first RMD, all subsequent RMDs must be taken no later than December 31st each year

Q: As a beneficiary of an IRA, do I have to take RMDs?

A: Yes. RMDs must begin no later than December 31st of the year following the year of the owner’s death. *If the IRA owner died prior to taking his/her RMD for that year, the beneficiary must take the regular RMD (based on the deceased owner’s age) by the normal deadline (December 31st) to avoid potential penalties

Q: How do I calculate my minimum RMD?

A: RMDs are generally calculated by dividing the adjusted market value of your IRAs as of December 31st of the preceding year by the distribution period that corresponds with your age in the Uniform Lifetime Table (IRS Publication 590-B)

Q: Do I have to take a RMD from all of my retirement accounts?

A: You must calculate the RMD amount for each IRA separately. However, if you have more than one IRA (must be the same type), you do not have to take a separate RMD for each; you can aggregate and withdraw the entire amount from just one IRA of the same type, or withdraw a portion from each IRA to satisfy your RMD

Q: What if I fail to take an IRA distribution by the required deadline?

A: Failure to take a timely RMD results in a 50% penalty on the undistributed amount. This rule applies to both IRA owners and beneficiaries

Q: Are my Roth IRAs included in the RMDs?

A: No, they are excluded from the RMD calculation

Additionally, you can always withdraw more than the minimum distribution amount; just be prepared to pay the tax liability.