



Required Minimum Distributions (RMDs)



[What Are Required Minimum Distributions \(RMDs\)?](#)

Required minimum distributions, often referred to as RMDs or minimum required distributions, are amounts that the federal government requires you to withdraw annually from traditional IRAs and employer-sponsored retirement plans.

[More Details](#)



[Which Retirement Savings Vehicles Are Subject to the RMD Rules?](#)

Traditional IRAs, SEP IRAs, SIMPLE IRAs, qualified employer plans like 401(k) plans, 457(b) plans, and 403(b) plans are all subject to the required minimum distribution rules.

[More Details](#)



[When Must RMDs Be Taken?](#)

Your first required distribution from an IRA or retirement plan is for the year you reach age 70½. However, you have some flexibility as to when you actually have to take this first-year distribution.

[More Details](#)



[How Are RMDs Calculated?](#)

RMDs are calculated by dividing your traditional IRA or retirement plan account balance by a life expectancy factor specified in IRS tables.

[More Details](#)



[Should You Delay Your First RMD?](#)

Remember, you have the option of delaying your first distribution until April 1 following the calendar year in which you reach age 70½

[More Details](#)

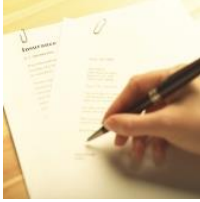
[What If You Fail to Take RMDs As Required?](#)

You can always withdraw more than you are required to from your IRAs and retirement plans. However, if you fail to take at least the RMD for any



year (or if you take it too late), you will be subject to a federal penalty. The penalty is a 50 percent excise tax on the amount by which the RMD exceeds the distributions actually made to you during the taxable year.

[More Details](#)



[Can You Satisfy the RMD Rules with the Purchase of an Annuity Contract?](#)

The purchase of an annuity contract can satisfy the RMD rules.

[More Details](#)



[Tax Considerations](#)

You first need to determine whether or not the federal estate tax will apply to you.

[More Details](#)



[Inherited IRAs and Retirement Plans](#)

Your RMDs from your IRA or plan will cease after your death, but your designated beneficiaries will then typically be required to take minimum distributions from the account. A spouse beneficiary may generally roll over an inherited IRA or plan account into an IRA in the spouse's own name.

[More Details](#)

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