

# RMD

what is it?

Taxpayers over age 72 with retirement assets must take RMD.\*†

$$\text{Account Balance as of 12/31 in year prior} \div \text{Life Expectancy Factor established by the IRS} = \text{RMD}$$

EXAMPLE:

$$\text{\$100,000 as of 12/31} \div \text{22.9 IRA owner turns 75 this year} = \text{\$4,366.81}$$

how is it calculated?

how to take RMD?

Taxpayers can choose from a number of ways (or combination of ways)

tax withholding

donations

cash

in kind

\*Inherited IRA owners must make distributions before reaching age 72.  
†Roth IRAs don't have RMD requirements but Roth 401(k)s do.