

# Required Minimum Distribution (RMD) Illustrations

Prepared for:        Sample

Prepared by:        Brentmark

© 1995-2022 Brentmark Software, Inc. All Rights Reserved.

This illustration is not complete without all its pages.

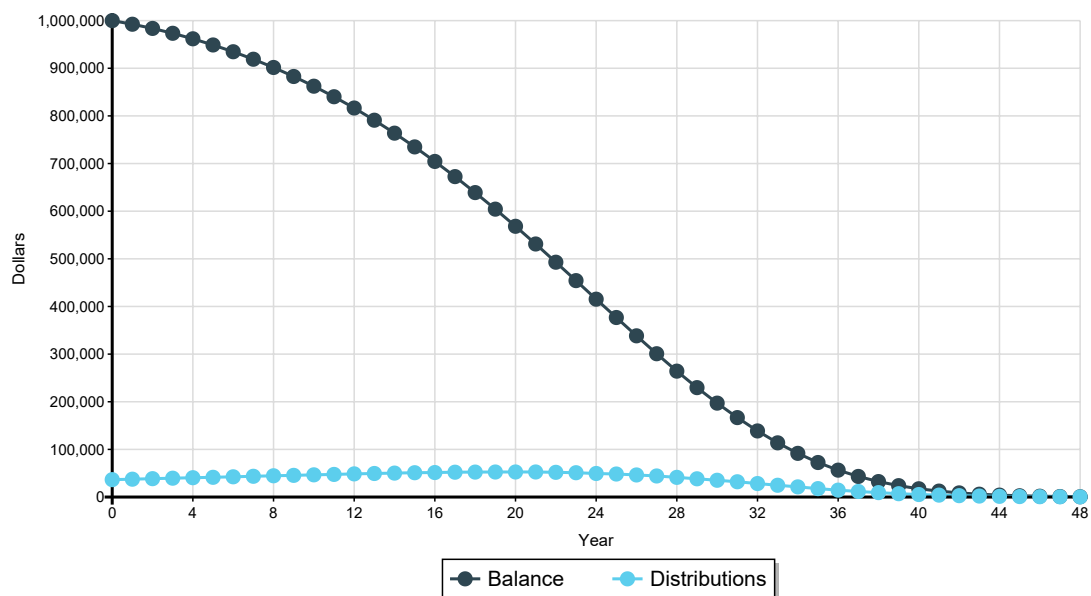
Powered By



# Required Minimum Distribution (RMD) Illustrations

## During Lifetime of Owner

Calculation year:	2022
Plan balance:	\$1,000,000.00
Expected plan growth:	3.00%
Plan type:	Normal
Owner birth date:	1/1/1950
Owner death year:	Survives
Is there a designated beneficiary?	Yes
Is the beneficiary the spouse?	Yes
Primary beneficiary date of birth:	1/1/1952
Required begin date:	April 1, 2023



The chart shown illustrates the effect of required minimum distributions and any additional amounts indicated on the account balance.

Year	Age	LE	Balance	Distribution	Total Distributions
2022	72	27.4	\$1,000,000.00	\$36,496.35	\$36,496.35
2023	73	26.5	\$992,408.76	\$37,449.39	\$73,945.74
2024	74	25.5	\$983,608.15	\$38,572.87	\$112,518.61
2025	75	24.6	\$973,386.34	\$39,568.55	\$152,087.16
2026	76	23.7	\$961,832.32	\$40,583.64	\$192,670.80
2027	77	22.9	\$948,886.14	\$41,436.08	\$234,106.88
2028	78	22.0	\$934,673.56	\$42,485.16	\$276,592.04
2029	79	21.1	\$918,954.05	\$43,552.32	\$320,144.36
2030	80	20.2	\$901,663.78	\$44,636.82	\$364,781.18
2031	81	19.4	\$882,737.77	\$45,501.95	\$410,283.13
2032	82	18.5	\$862,352.89	\$46,613.67	\$456,896.80
2033	83	17.7	\$840,211.40	\$47,469.57	\$504,366.37

## Required Minimum Distribution (RMD) Illustrations

Year	Age	LE	Balance	Distribution	Total Distributions
2034	84	16.8	\$816,524.08	\$48,602.62	\$552,968.99
2035	85	16.0	\$790,959.10	\$49,434.94	\$602,403.93
2036	86	15.2	\$763,769.88	\$50,248.02	\$652,651.95
2037	87	14.4	\$734,927.52	\$51,036.63	\$703,688.58
2038	88	13.7	\$704,407.62	\$51,416.61	\$755,105.19
2039	89	12.9	\$672,580.74	\$52,138.04	\$807,243.23
2040	90	12.2	\$639,055.98	\$52,381.64	\$859,624.87
2041	91	11.5	\$604,274.57	\$52,545.61	\$912,170.48
2042	92	10.8	\$568,280.83	\$52,618.60	\$964,789.08
2043	93	10.1	\$531,132.10	\$52,587.34	\$1,017,376.42
2044	94	9.5	\$492,901.10	\$51,884.33	\$1,069,260.75
2045	95	8.9	\$454,247.27	\$51,039.02	\$1,120,299.77
2046	96	8.4	\$415,304.50	\$49,441.01	\$1,169,740.78
2047	97	7.8	\$376,839.39	\$48,312.74	\$1,218,053.52
2048	98	7.3	\$338,382.45	\$46,353.76	\$1,264,407.28
2049	99	6.8	\$300,789.55	\$44,233.76	\$1,308,641.04
2050	100	6.4	\$264,252.46	\$41,289.45	\$1,349,930.49
2051	101	6.0	\$229,651.90	\$38,275.32	\$1,388,205.81
2052	102	5.6	\$197,117.88	\$35,199.62	\$1,423,405.43
2053	103	5.2	\$166,775.81	\$32,072.27	\$1,455,477.70
2054	104	4.9	\$138,744.65	\$28,315.23	\$1,483,792.93
2055	105	4.6	\$113,742.30	\$24,726.59	\$1,508,519.52
2056	106	4.3	\$91,686.18	\$21,322.37	\$1,529,841.89
2057	107	4.1	\$72,474.72	\$17,676.76	\$1,547,518.65
2058	108	3.9	\$56,441.90	\$14,472.28	\$1,561,990.93
2059	109	3.7	\$43,228.71	\$11,683.44	\$1,573,674.37
2060	110	3.5	\$32,491.63	\$9,283.32	\$1,582,957.69
2061	111	3.4	\$23,904.56	\$7,030.75	\$1,589,988.44
2062	112	3.3	\$17,380.02	\$5,266.67	\$1,595,255.11
2063	113	3.1	\$12,476.75	\$4,024.76	\$1,599,279.87
2064	114	3.0	\$8,705.55	\$2,901.85	\$1,602,181.72
2065	115	2.9	\$5,977.81	\$2,061.31	\$1,604,243.03
2066	116	2.8	\$4,034.00	\$1,440.71	\$1,605,683.74
2067	117	2.7	\$2,671.09	\$989.29	\$1,606,673.03
2068	118	2.5	\$1,732.25	\$692.90	\$1,607,365.93
2069	119	2.3	\$1,070.53	\$465.45	\$1,607,831.38
2070	120	2.0	\$623.23	\$311.62	\$1,608,143.00

*This is a hypothetical illustration based on the assumptions you made, and is to be used as a guide only, in order to help you understand what your planning needs may be. This illustration should be considered together with all other information you deem important in making your investment decisions. This is not an illustration or guarantee*

## Required Minimum Distribution (RMD) Illustrations

*of the performance of any specific investment. Actual performance from your investments may vary. This illustration is not legal or tax advice. You should consult with your own attorney and/or accountant to review this information and determine its appropriateness with respect to your situation. The provider of this illustration provides no guarantee and assumes no responsibility or liability for the accuracy of the information provided (including whether the interest rate you have selected is in fact "reasonable"), or for your decisions based on this information.*

# Required Minimum Distribution Disclosure

## **Required Beginning Date**

Upon reaching the age 72, the Internal Revenue Service (IRS) requires that you begin withdrawing a minimum amount from certain tax-qualified retirement accounts each calendar year. If you were born on June 30, 1949 or earlier, you were required to begin withdrawals upon reaching age 70.5. However, if you are a participant in a qualified retirement plan (e.g. 401(k), profit sharing plan, etc.), you may in some cases delay your first distribution until you retire, provided the plan allows for this exception and you are less than a 5% owner of the business. Also, 403(b) plan participants may delay distributions until they retire from that employer. Failure to remove the minimum amount each year may result in a substantial tax penalty. Required minimum distribution rules do not apply to Roth IRAs while the original Roth IRA owner is living. Required distributions from a Roth IRA generally begin after the death of the owner.

## **Withdrawal Deadline**

Your first required distribution does not have to be made until April 1 of the year following the year you attain RMD age (or the year you retire, if applicable). If you do wait until the period between January 1 and April 1 of that second year to take your first required distribution, you will be required to take two distributions during that year. Thereafter, your required amount must be distributed by December 31 of each calendar year.

## **Multiple Retirement Arrangements**

The required minimum distribution rules apply separately to each retirement arrangement. However, the IRS provides an alternative method of taking required distributions when the taxpayer has more than one IRA (or more than one 403(b)).

- Under the alternate method, the required minimum distribution must be determined separately for each IRA, but the total of the RMDs may be taken from any one or more of your IRAs.
- This alternative method also applies separately to 403(b)s. You cannot distribute from your 403(b) to satisfy the required minimum distribution for your IRA, or vice versa.
- The alternative method does not apply to a qualified retirement plan (e.g. 401(k), profit sharing plan, etc.). Here again, you cannot distribute from your qualified retirement plan to satisfy the required minimum distribution for your IRA, or vice versa.
- Inherited IRAs and inherited 403(b)s are treated separately from other IRA and 403(b) accounts.

## **IRS Penalties**

If your distributions are less than the required minimum distribution for the year, you may have to pay a 50% IRS excise tax on the difference between the required minimum distribution and the actual amount withdrawn.

## **Tax-Qualified Annuities**

If you have a tax-qualified annuity, a one time request to annuitize may satisfy the RMD requirement. If you would like more information about annuitizing your contract, please contact your financial advisor.

## **Rules Applicable to Inherited Accounts**

Rules applicable to required minimum distributions after the original IRA owner or original participant dies are complex. A beneficiary may have options as to how to meet the requirements. The options and requirements differ depending on several variables, including but not limited to: whether the original IRA owner or plan participant died before or after 2020, the required beginning date, how many beneficiaries are involved, and whether a particular beneficiary is a spouse, non-spouse, disabled or chronically ill, a minor child of the IRA owner, not more than 10 years younger than the owner, or an entity such as a charity or estate. The IRS has waived the 50% penalty for missed RMDs for 2021 and 2022 for individuals that inherited an IRA in 2020 or later and are subject to the 10 year rule with an annual distribution requirement. Please see the IRS Publications referenced in this section and consult your tax advisor.

**Note:** The SECURE Act did not change the beneficiary options for a nondesignated beneficiary. Neither did it change the September 30 deadline for determining if a retirement account has a designated beneficiary. As a result, if a nondesignated beneficiary is one of multiple beneficiaries that remain as beneficiary as of September 30, of the year that follows the year in which the retirement account owner dies, all of those beneficiaries could be subject to the options available to the nondesignated beneficiary.

## Required Minimum Distribution Acknowledgement

I understand that the required minimum distribution for each of my tax-qualified arrangements must be calculated annually and acknowledge that I am responsible for ensuring that I withdraw my annual required minimum distribution by the required deadline, generally December 31 of each year.

I acknowledge receipt of the attached illustration of projected fund balances and forecast of future distribution requirements. I understand and acknowledge that the totals shown are approximate and are based on the assumptions I provided to my financial advisor. In addition, I understand and acknowledge that the illustration provided is not intended to imply any guaranteed earnings or a fixed principal sum; my actual results will depend on the type of investments I select, the amount and time of year I take withdrawals, and my actual rate of return.

Signature

X \_\_\_\_\_

Date Signed

X \_\_\_\_\_