



RMD STRATEGIES

INSTRUCTOR: JOHN PAK, CFP® RICP®



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- Past performance is not indicative of future results. Diversification and asset allocation do not ensure profit or protect against loss in a declining market.
- It is highly recommended that you speak to a proficient financial professional (CFP) before making any decisions in regards to your investments.

WHAT IS REQUIRED MINIMUM DISTRIBUTION (RMD)?

- With over \$23 Trillion in Retirement Assets and the rise of 401K and IRA accounts, more and more clients need to be educated on what happens when they reach 70 ½. Whether you need income or not, the qualified assets are going to be subject to a forced distribution based on the Uniform Lifetime Table.
- Here is a quick snapshot of the forced withdrawal percentages by age:
- Age 70 – 3.65%
- Age 75 – 4.37%
- Age 80 – 5.35%
- Age 85 – 6.76%
- Age 90 - 8.77%

RMD UNIFORM TABLE

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

WHO IS AFFECTED?

- You must begin taking withdrawals from your account once you have attained age 70 ½ and one of two things have occurred:
- You are not actively employed at the company who sponsors the plan in which you have a retirement account
- You own more than 5% of the company (stock ownership, or partnership interest) who sponsors the plan in which you have an account

WHY IS THERE SUCH A THING AS RMDS?

- You can't run from Uncle Sam forever! Once you turn 70 1/2 , it's time to reimburse Uncle Sam for all those years of tax free growth!

WHEN WILL THE FORCED DISTRIBUTION TAKE PLACE

- Distributions from your account must be processed before December 31 each year.
- 1st Exception: Your first distributions may be delayed until April 1st of the year following the year in which you reach age 70 ½, which is called required beginning date.
- 2nd Exception: an employee who is still employed may delay the distribution until he terminates employment – a >5% owner cannot use this exception)
- All other min distributions must occur by DEC 31st of the year

WHICH ACCOUNTS WILL BE AFFECTED?

- Qualified plans: 401K, profit sharing plans, and money purchase plans
- 403(b) plans
- Traditional IRAs
- SEPs
- SIMPLEs
- 457 Plans
- *Roth IRAs do NOT apply. However, Roth 401K, Roth 403(b), and Roth 457 do apply.