



YOUR GUIDE TO

Required Minimum Distributions

SECURITY BENEFIT



SECURITY BENEFIT LIFE
INSURANCE COMPANY

FIRST SECURITY BENEFIT LIFE INSURANCE
AND ANNUITY COMPANY OF NEW YORK



The IRS requires you to start taking withdrawals from a traditional IRA once you reach age 73.¹ These are known as Required Minimum Distributions (RMDs).

¹ SECURE Act 2.0 updated the RMD age rule, which now applies to account owners who turn 73 on Jan. 1, 2023, or later.

RMD Guidelines and Requirements

Required minimum distributions, or RMDs, are minimum amounts you must withdraw annually from your tax-deferred retirement account.

- RMD rules apply to all employer-sponsored retirement plans, including profit-sharing, 401(k), 403(b) and 457(b) plans.
- RMD rules also apply to traditional IRAs and IRA-based plans such as SEP and SIMPLE IRAs.
- RMD rules **do not** apply to Roth IRAs, but do apply to Inherited Roth IRAs.

You must start taking distributions by April 1 following the year in which you turn age 73 and by December 31 every year after that. People who are still working after age 73 may be able to delay distributions from their current 401(k), 403(b) or 457, but not an IRA, until April 1 of the year after they retire.

Each RMD withdrawal is taxed at your current income tax rate. **The penalty for failing to take your RMD is a 25% tax (or 10% if the RMD is taken by the end of the second year following the year in which it was supposed to be taken), in addition to regular income tax, on the amount that should have been withdrawn.**

Be careful about taking two withdrawals in the same year. Withdrawals from IRAs are taxed as income, and two withdrawals in the same year could significantly increase your income tax bill. Keep in mind, though, that a yearly RMD does not have to be taken in a single withdrawal — it can be taken through multiple cumulative withdrawals during the year.

Calculating Your RMD

Generally, the RMD is calculated for each account by dividing the prior year-end balance of the retirement plan account by a life expectancy factor that the IRS publishes; the Uniform Lifetime and Single Life tables are the most commonly used (see pages 6).

RMD Calculation Example

John waited until he reached age 73 to start withdrawals from his traditional IRA.

IRA Value	\$300,000
IRS Life Expectancy Factor Based on IRS Uniform Lifetime Table (see page 6)	26.5
Annual RMD Calculation	$\$300,000 / 26.5$
Annual RMD Distribution	\$11,320.75

Lifetime Distributions

After Required Beginning Date (RBD)



The RBD is April 1 of the year following the year that the account owner reaches age 73.



Death Distributions *Prior to the RBD*

Eligible Designated Beneficiary

The life expectancy rule still applies (Single Life Table, no recalculation). An Eligible Designated Beneficiary is defined as a:

- Spouse (special rules apply, see below)
- Minor child of the account owner that has not reached age 21
- Disabled or chronically ill individual
- Beneficiary who is not more than 10 years younger than the account owner

Spousal Beneficiary

Spousal Rollover — A spouse can roll the entire amount into his or her own IRA or designate the IRA as his or her own. If the spouse has not reached his or her RBD, no distributions are required in the year after the account owner's death. If the spouse has reached his or her RBD, distributions in the year following death are based on the surviving spouse's life expectancy (Uniform Lifetime Table, recalculation).

Spouse as Beneficiary — Distributions must begin by the end of the calendar year in which the account owner would have reached age 73 had he or she lived. Distributions must then be made over the surviving spouse's life expectancy (Single Life Table, recalculation).

Designated Beneficiary

Use the 10-year rule. The account must be liquidated by the end of the 10th year following the account owner's year of death.

No Designated Beneficiary

Use the 5-year rule. The entire account balance must be distributed by the end of the calendar year containing the fifth year following the account owner's year of death.

Death Distributions *On or After the RBD*

Eligible Designated Beneficiary

The life expectancy rule still applies (Single Life Table, no recalculation). An Eligible Designated Beneficiary is defined as a:

- Spouse (special rules apply, see below)
- Minor child of the account owner that has not reached age 21
- Disabled or chronically ill individual
- Beneficiary who is not more than 10 years younger than the account owner

Spousal Beneficiary

Spousal Rollover — A spouse can roll the entire amount into his or her own IRA or designate the IRA as his or her own. If the spouse has not reached his or her RBD, no distributions are required in the year after the account owner's death. If the spouse has reached his or her RBD, distributions in the year following death are based on the surviving spouse's life expectancy (Uniform Lifetime Table, recalculation).

Spouse as Beneficiary — Distributions must begin by the end of the calendar year following death. The spousal beneficiary's life expectancy is used (Single Life Table, recalculation).

In either case, the normal RMD for the year of death is required as though the account owner had not died.

Designated Beneficiary

Use the 10-year rule. Distributions must continue over the life expectancy of the designated beneficiary and the account must be liquidated by the end of the 10th year following the account owner's year of death or the end of the designated beneficiary's life expectancy, whichever is earlier.

No Designated Beneficiary

Use the 5-year rule. Distributions must continue using the life expectancy of the account owner and the account must be liquidated by the end of the fifth year following the account owner's year of death. In subsequent calendar years, the life expectancy factor is reduced by one year (Single Life Table, no recalculation). The normal RMD for year of death is required as though the account owner had not died.

IRS Uniform Lifetime Table

Age	Distribution Divisor	Age	Distribution Divisor
73	26.5	97	7.8
74	25.5	98	7.3
75	24.6	99	6.8
76	23.7	100	6.4
77	22.9	101	6
78	22	102	5.6
79	21.1	103	5.2
80	20.2	104	4.9
81	19.4	105	4.6
82	18.5	106	4.3
83	17.7	107	4.1
84	16.8	108	3.9
85	16	109	3.7
86	15.2	110	3.5
87	14.4	111	3.4
88	13.7	112	3.3
89	12.9	113	3.1
90	12.2	114	3
91	11.5	115	2.9
92	10.8	116	2.8
93	10.1	117	2.7
94	9.5	118	2.5
95	8.9	119	2.3
96	8.4	120+	2

IRS Single Life Table

Age	Expectancy	Age	Expectancy	Age	Expectancy
0	84.6	41	44.8	82	9.9
1	83.7	42	43.8	83	9.3
2	82.8	43	42.9	84	8.7
3	81.8	44	41.9	85	8.1
4	80.8	45	41	86	7.6
5	79.8	46	40	87	7.1
6	78.8	47	39	88	6.6
7	77.9	48	38.1	89	6.1
8	76.9	49	37.1	90	5.7
9	75.9	50	36.2	91	5.3
10	74.9	51	35.3	92	4.9
11	73.9	52	34.3	93	4.6
12	72.9	53	33.4	94	4.3
13	71.9	54	32.5	95	4
14	70.9	55	31.6	96	3.7
15	69.9	56	30.6	97	3.4
16	69	57	29.8	98	3.2
17	68	58	28.9	99	3
18	67	59	28	100	2.8
19	66	60	27.1	101	2.6
20	65	61	26.2	102	2.5
21	64.1	62	25.4	103	2.3
22	63.1	63	24.5	104	2.2
23	62.1	64	23.7	105	2.1
24	61.1	65	22.9	106	2.1
25	60.2	66	22	107	2.1
26	59.2	67	21.2	108	2
27	58.2	68	20.4	109	2
28	57.3	69	19.6	110	2
29	56.3	70	18.8	111	2
30	55.3	71	18	112	2
31	54.4	72	17.2	113	1.9
32	53.4	73	16.4	114	1.9
33	52.5	74	15.6	115	1.8
34	51.5	75	14.8	116	1.8
35	50.5	76	14.1	117	1.6
36	49.6	77	13.3	118	1.4
37	48.6	78	12.6	119	1.1
38	47.7	79	11.9	120+	1
39	46.7	80	11.2		
40	45.7	81	10.5		

A photograph of three people enjoying a meal and wine together. In the center, a man with dreadlocks and a blue denim shirt stands, smiling and holding a glass of rosé. To his right, a woman with curly grey hair and a floral dress stands, also smiling and holding a glass of rosé. On the left, a man with grey hair and a beard is seated, looking towards the standing couple. In the foreground, a wooden cutting board holds a roasted chicken, tomatoes, and other food. Several glasses of rosé and a pitcher are on the table. The background features dark wooden cabinets and a wooden beam.

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