



Retirement Topics — Required Minimum Distributions (RMDs)



COVID-19 Relief for Retirement Plans and IRAs

Information on this page may be affected by [coronavirus relief for retirement plans and IRAs](#).

You cannot keep retirement funds in your account indefinitely. You generally have to start taking withdrawals from your IRA, SIMPLE IRA, SEP IRA, or retirement plan account when you reach age 70½. However, changes were made by the Setting Every Community Up for Retirement Enhancement (SECURE) Act which was part of the Further Consolidated Appropriations Act, 2020, P.L. 116-94, signed by the President on December 20, 2019. Due to changes made by the SECURE Act, if your 70th birthday is July 1, 2019 or later, you do not have to take withdrawals until you reach age 72. [Roth IRAs](#) do not require withdrawals until after the death of the owner.

Your **required minimum distribution** is the minimum amount you must withdraw from your account each year.

- You can withdraw more than the minimum required amount.
- Your withdrawals will be included in your taxable income except for any part that was taxed before (your basis) or that can be received tax-free (such as qualified distributions from designated Roth accounts).

Do these rules apply to my retirement plan?

The minimum distribution rules discussed below apply to:

- traditional IRAs
- SEP IRAs
- SIMPLE IRAs
- 401(k) plans
- 403(b) plans
- 457(b) plans
- profit sharing plans
- other defined contribution plans

Calculating the required minimum distribution

The required minimum distribution for any year is the account balance as of the end of the immediately preceding calendar year divided by a distribution period from the IRS's "Uniform Lifetime Table." A separate table is used if the sole beneficiary is the owner's spouse who is ten or more years younger than the owner. In this regard, the following materials will be useful to you in determining required distribution amounts and payout periods:

- [worksheets](#) to calculate the required amount
- tables to calculate the RMD during the participant or IRA owner's life:
 - [Uniform Lifetime Table](#) -for all unmarried IRA owners calculating their own withdrawals, married owners whose spouses aren't more than 10 years younger, and married owners whose spouses aren't the sole beneficiaries of their IRAs
 - [Table I \(Single Life Expectancy\)](#) is used for beneficiaries who are not the spouse of the IRA owner
 - [Table II \(Joint Life and Last Survivor Expectancy\)](#) is used for owners whose spouses are more than 10 years younger and are the IRA's sole beneficiaries

Inherited IRAs - if your IRA or retirement plan account was inherited from the original owner, see "required minimum distributions after the account owner dies," below.

Beginning date for your first required minimum distribution

- **IRAs (including SEPs and SIMPLE IRAs)**
 - April 1 of the year following the calendar year in which you reach age 70½, if you were born before July 1, 1949.
 - April 1 of the year following the calendar year in which you reach age 72, if you were born after Jun 30, 1949.
- **401(k), profit-sharing, 403(b), or other defined contribution plan**
Generally, April 1 following the later of the calendar year in which you:
 - reach age 72 (age 70½ if born before July 1, 1949), or
 - retire (if your plan allows this).

See the [chart](#) comparing IRA and defined contribution plan RMDs.

Date that you turn 70½ (72 if you reach the age of 70 ½ after December 31, 2019)

You reach age 70½ on the date that is 6 calendar months after your 70th birthday.

Example: You are retired and your 70th birthday was June 30, 2018. You reached age 70½ on December 30, 2018. You must take your first RMD (for 2018) by April 1, 2019. You will take subsequent RMDs on December 31st annually thereafter, as will be discussed below.

Example: You are retired and your 70th birthday was July 1, 2019. You reach age 70½ after December 31, 2019, so you are not required to take a minimum distribution until you reach 72. You reached age 72 on July 1, 2021. You must take your first RMD (for 2021) by April 1, 2022, with subsequent RMDs on December 31st annually thereafter.

Terms of the plan govern

A plan may require you to begin receiving distributions by April 1 of the year after you reach age 70½ (age 72 if born after June 30, 1949), even if you have not retired.

5% owners

If you own more than 5% of the business sponsoring the plan, then you must begin receiving distributions by April 1 of the year after the calendar year in which you reach age 70½ (age 72 if born after June 30, 1949), even if you have not retired.

Date for receiving subsequent required minimum distributions

For each year after your required beginning date, you must withdraw your RMD by December 31.

For the first year following the year you reach age 70½ (age 72 if born after June 30, 1949), you will generally have two required distribution dates: an April 1 withdrawal (for the year you turn 70½ (or 72 if born after June 30, 1949)) and an additional withdrawal by December 31 (for the year following the year you turn 70½ (or 72 if born after June 30, 1949)). You can make your first withdrawal by December 31 of the year you turn 70½ (or 72 if born after June 30, 1949) instead of waiting until April 1 of the following year which would allow the distributions to be included in your income in separate tax years.


Example: John reached age 70½ on August 20, 2019. He must receive his 2019 required minimum distribution by April 1, 2020, based on his 2019 year-end balance. John must receive his 2020 required minimum distribution by December 31, 2020, based on his 2020 year-end balance.

If John receives his initial required minimum distribution for 2019 on December 31, 2019, then he will take the first RMD in 2019 and the second in 2020. However, if John waits to take his first RMD until April 1, 2020, then both his 2019 and 2020 distributions will be included in income on his 2020 income tax return.

Example: Paul reached age 70½ on January 28, 2020. Since Paul had not reached age 70½ before 2020, his first RMD is due for 2021, the year he turns 72. Paul's first RMD is due by April 1, 2022, based on his 2020 year-end balance. Paul must receive his 2022 required minimum distribution by December 31, 2022, based on his 2021 year-end balance.

Consequence for failing to take required minimum distributions

If you do not take any distributions, or if the distributions are not large enough, you may have to pay a 50% excise tax on the amount not distributed as required.

- To report the excise tax, you may have to file [Form 5329, Additional Taxes on Qualified Plans \(Including IRAs\) and Other Tax-Favored Accounts](#).
- See the [Form 5329 instructions](#)  for additional information about this tax.

Required minimum distributions after the account owner dies

For the year of the account owner's death, use the RMD the account owner would have received. For the year following the owner's death, the RMD will depend on the identity of the designated beneficiary.

Calculating required minimum distributions for designated beneficiaries

Generally, for individuals or employees with accounts who die prior to January 1, 2020, designated beneficiaries of retirement accounts and IRAs calculate RMDs using the Single Life Table (Table I, Appendix B, [Publication 590-B, Distributions from Individual Retirement Arrangements \(IRAs\)](#)). The table provides a life

expectancy factor based on the beneficiary's age. The account balance is divided by this life expectancy factor to determine the first RMD. The life expectancy is reduced by one for each subsequent year.

If the distribution is from a qualified retirement plan, the plan document will establish the RMD rules, and the plan administrator should provide the beneficiary with his or her options. The options for the RMD pay-out period may be as short as 5 years, or as long as the life expectancy of the beneficiary. (If the beneficiary is the spouse of the owner, the spouse can also choose to treat the IRA as his or her own.) Therefore, if the distribution is from a qualified plan, the beneficiary should contact the plan administrator. For IRA distributions, see [Publication 590-B, Distribution from Individual Retirement Arrangements \(IRAs\)](#), or this chart of required minimum distributions to help calculate the required minimum distributions.

Generally, for individuals or employees with accounts who die after December 31, 2019, the SECURE Act distinguishes between an “eligible designated beneficiary” and other beneficiaries who inherit an account or IRA. An eligible designated beneficiary includes a surviving spouse, a disabled individual, a chronically ill individual, a minor child, or an individual who is not more than 10 years younger than the account owner. Certain trusts created for the exclusive benefit of disabled or chronically ill beneficiaries are included. These eligible designated beneficiaries may take their distributions over the beneficiary's life expectancy. However, minor children must still take remaining distributions within 10 years of reaching age 18. Additionally, a surviving spouse beneficiary may delay commencement of distributions until the later of the end of the year that the employee or IRA owner would have attained age 72, or the surviving spouse's required beginning date.

Designated beneficiaries, who are not an eligible designated beneficiary, must withdraw the entire account by the 10th calendar year following the year of the employee or IRA owner's post-2019 death. Non-designated beneficiaries must withdraw the entire account within 5 years of the employee or IRA owner's death if distributions have not begun prior to death. For IRA distributions, see [Publication 590-B, Distribution from Individual Retirement Arrangements \(IRAs\)](#), or this [chart](#) of required minimum distributions to help calculate the required minimum distributions.

Additional resources

- [Individual Retirement Arrangements \(IRAs\)](#)
- [FAQs regarding Required Minimum Distributions](#)
- [Publication 590-B, Distribution from Individual Retirement Arrangements \(IRAs\) \(includes life expectancy tables\)](#)
- [Publication 560, Retirement Plans for Small Business \(SEP, SIMPLE and Qualified Plans\)](#)
- [RMD Comparison Chart \(IRAs vs. Defined Contribution Plans\)](#)

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