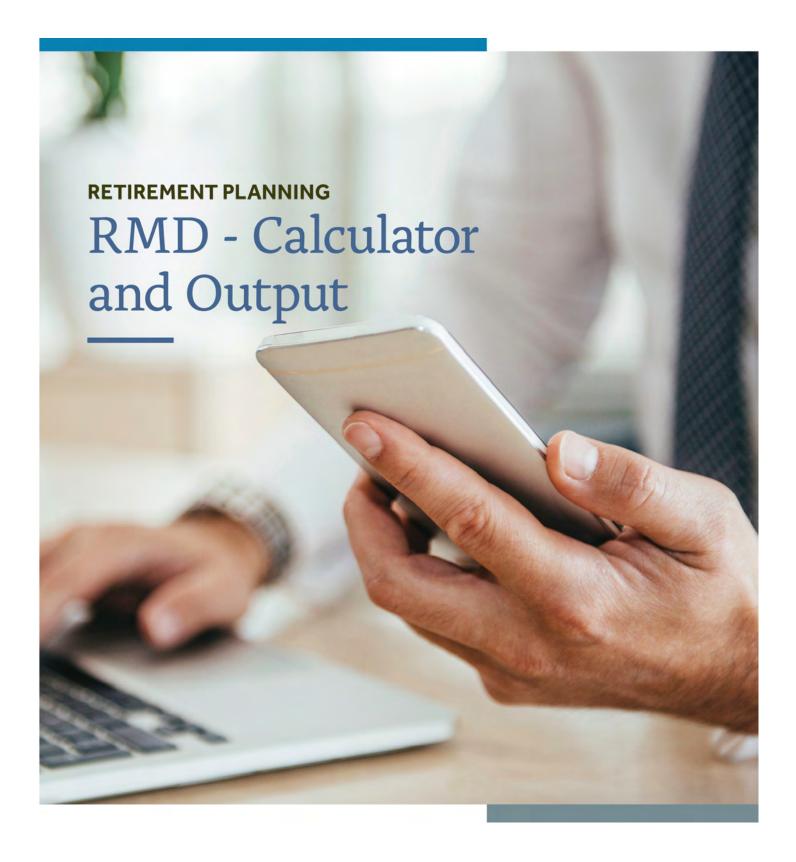
Navigating Income Tax



Determining Required Minimum Distributions

Though qualified retirement plans and individual retirement accounts (IRAs) provide a tax-efficient means to save for retirement, Congress was wary of enabling individuals to defer tax liability indefinitely. Required minimum distributions, sometimes referred to as RMDs or minimum required distributions, are amounts that the federal government requires you to withdraw annually from traditional IRAs and employer retirement plans after you reach a certain age, or in some cases, retire.

Prior to passage of the SECURE Act legislation in 2019, RMDs were generally required to start after reaching age 70½. The 2019 legislation changed the required starting age to 72 for those who had not yet reached age 70½ before January 1, 2020. The "SECURE 2.0" legislation enacted in December 2022 raises the beginning age for RMDs to 73 for those who reach age 72 after 2022. It also increases the age again, to 75, starting in 2033.

To determine the amount of the required distribution, the balance of the account on December 31st of the prior year is divided by a life expectancy factor (referred to as the applicable distribution period) as provided in the Uniform Lifetime Table or the Joint and Last Survivor Table. Both tables are published by the IRS. The Uniform Lifetime Table is used unless the individual's sole beneficiary is a spouse who is more than 10 years younger. You can withdraw more than the minimum amount from your IRA or plan in any year, but if you withdraw less than the required minimum, you will be subject to a federal tax penalty.

The following chart provides an estimation of required minimum distributions assuming the following factors:

- Current age is 73;
- Spousal beneficiary's age is 65;
- Account balance on December 31st of the prior year was \$2,000,000; and
- Account balance grows annually at 5%.

Please note, this is an estimate only. Consult with your personal advisor to determine the actual required distribution.

| Age | Required Minimum Distribution | Age | Required Minimum Distribution | Age | Required Minimum Distribution |
|-----|----------------------------------|-----|----------------------------------|-----|----------------------------------|
| 73 | \$75,472 | 88 | \$143,685 | 103 | \$131,624 |
| 74 | \$79,393 | 89 | \$149,087 | 104 | \$119,804 |
| 75 | \$83,185 | 90 | \$153,303 | 105 | \$107,954 |
| 76 | \$87,152 | 91 | \$157,435 | 106 | \$96,154 |
| 77 | \$90,900 | 92 | \$161,444 | 107 | \$82,435 |
| 78 | \$95,218 | 93 | \$165,280 | 108 | \$69,858 |
| 79 | \$99,731 | 94 | \$167,107 | 109 | \$58,435 |
| 80 | \$104,446 | 95 | \$168,515 | 110 | \$48,168 |
| 81 | \$108,807 | 96 | \$167,412 | 111 | \$37,897 |
| 82 | \$113,924 | 97 | \$167,841 | 112 | \$29,513 |
| 83 | \$118,590 | 98 | \$165,312 | 113 | \$23,468 |
| 84 | \$124,131 | 99 | \$162,030 | 114 | \$17,640 |
| 85 | \$129,096 | 100 | \$155,448 | 115 | \$13,078 |
| 86 | \$134,192 | 101 | \$148,194 | 116 | \$9,552 |
| 87 | \$139,411 | 102 | \$140,255 | 117 | \$6,863 |

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