

Required Minimum Distribution (RMD) Comparison Chart

	IRAs (Traditional, Roth, SEP, SIMPLE)	Individual 401(k)
When do I need take my first RMD?	You must take your first RMD by April 1 of the year following the year in which you turn 70 ½, regardless of whether you are still employed.	Owners of the business, you must start RMDs by April 1 of the year following the year you turn 70 ½.
When do I reach age 70 ½?	<p>You reach age 70 ½ on the date that is 6 calendar months after the date of your 70th birthday.</p> <p>Example: Your 70th birthday was June 30, 2015. You reached age 70 ½ on December 30, 2015. You must take your first RMD (for 2014) by April 1, 2016.</p> <p>Example: Your 70th birthday was July 1, 2015. You reached age 70 ½ on January 1, 2016. You do not have to take an RMD for 2015. You must take your first RMD (for 2016) by April 1, 2017.</p>	Same as IRA rule.
What is the deadline for taking subsequent RMDs after the first RMD?	<p>After the first RMD, you must take subsequent RMDs by December 31 of each year beginning with the year containing your required beginning date.</p> <p>Example: You turn 70 ½ on July 15, 2015. You must take your first RMD, for 2014, by April 1, 2016. You must take your second RMD, for 2016, by December 31, 2016, and your third RMD, for 2017 by December 31, 2017.</p>	Same as IRA rule.
How do I calculate my RMD?	Your RMD is generally determined by dividing the adjusted market value of your IRAs as of December 31 of the preceding year by the distribution period that corresponds with your age in the Uniform Lifetime Table [Table III in IRS Publication 590, Individual Retirement Arrangements (IRAs)]. If your spouse is your sole beneficiary, and is more than 10 years younger than you, you will use the Joint Life and Last Survivor Expectancy Table (Table II in IRS Publication 590).	The Employer/Plan Sponsor is responsible for calculating and distributing the RMD from the plan.

Source: Internal Revenue Service (<http://www.irs.gov/Retirement-Plans/RMD-Comparison-Chart-%28IRAs-vs.-Defined-Contribution-Plans%29>)

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How should I take my RMDs if I have multiple accounts?	If you have more than one IRA, you must calculate the RMD for each IRA separately each year. However, you may aggregate your RMD amounts for all of your IRAs and withdraw the total from one IRA or a portion from each of your IRAs. You do not have to take a separate RMD from each IRA.	If you have more than one defined contribution plan, you must calculate and satisfy your RMDs separately for each plan and withdraw that amount from that plan.
May I withdraw more than the RMD?	Yes, an IRA owner can always withdraw more than the RMD. You cannot apply excess withdrawals toward future years' RMDs.	Same as IRA rule.
May I take more than one withdrawal in a year to meet my RMD?	You may withdraw your annual RMD in any number of distributions throughout the year, as long as you withdraw the total annual minimum amount by December 31 (or April 1 if it is for your first RMD).	Same as IRA rule.
What happens if I do not take an RMD?	If the distributions to you in any year are less than the RMD for that year, you are subject to an additional tax equal to 50% of the undistributed RMD.	Not only will the employer be subject to the 50% penalty, it could also be a disqualification issue for the plan. It is recommended for the employer to go through the IRS correction program if an RMD is failed to be distributed. Check with a tax or legal advisor for assistance with the program.

Note: There are no RMD requirements for a Roth IRA while the owner is alive. However, designated Roth accounts are subject to the RMD rules. The designated Roth account balance in an Individual's 401(k) account is included in calculating the individual's RMD for the year.

Additional Resources

IRS.gov
 IRS Publication 560
 IRS Publication 590
 RMD Comparison Chart
 The Entrust Learning Center

Source: Internal Revenue Service (<http://www.irs.gov/Retirement-Plans/RMD-Comparison-Chart-%28IRAs-vs.-Defined-Contribution-Plans%29>)

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