

Looking ahead to your 401K and IRA income...

Uniform Lifetime Table for **Individuals**

Age of IRA Owner or Plan Participant	Life Expectancy (Divisor)	Age of IRA Owner or Plan Participant	Life Expectancy (Divisor)
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115+	1.9

This table is only for lifetime required distributions. This table is not used to calculate required distributions from an inherited IRA. Most IRA owners will use this table, but there is one exception. If the spouse is the sole beneficiary for the entire year AND is more than 10 years younger than the IRA owner, do not use this Uniform Lifetime Table. Instead, use the actual ages of both spouses based on the Joint Life Table for a longer life expectancy and a lower required distribution.

Even if you don't need the money, you **must start taking distributions** by April 1st of the calendar year after you turn age 70½. If you turned 70 on June 1st you'll be 70½ on Dec. 1st and would take your first distribution by the next April 1st. This applies to all 401Ks, IRAs, etc. If you are still working there may be an exception for your employer's plan.

All subsequent minimum required distributions (RMDs) must be taken by Dec 31st of the year to which they apply. The **single biggest mistake** is missing a required minimum distribution. There is a 50% penalty on the amount that should have been withdrawn, but wasn't. This is one of the biggest penalties in the tax code.

The **most common situation** is that you're about to turn age 70½ and must start taking distributions. Take the balance of your retirement accounts as of Dec. 31st of the prior year and use this Uniform Lifetime Table to find your divisor.

For example, the divisor for age 70 is 27.4. For your first RMD divide your retirement plan balance as of last Dec. 31st by 27.4 to find the minimum amount you must take out. For a \$100,000 IRA, this is \$3649.64. Each year your RMD percentage will grow.

What's next for your money?

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