



Required Minimum Distributions

Required Minimum Distributions (RMDs) are mandatory annual withdrawals that must be made from most retirement accounts once you reach a specific age.

The Basics

Many retirement accounts, such as Traditional IRAs and IRA-based plans like SEPs, SARSEPs, and SIMPLE IRAs, are subject to required minimum distributions (RMDs). The RMD rules also extend to workplace retirement plans, including profit-sharing plans, 401(k) plans, 403(b) plans, and 457(b) plans. However, the Secure 2.0 legislation has introduced a significant change: individuals with Roth balances in a Workplace Retirement Plan are no longer obligated to take RMDs from those funds. Additionally, those with a Roth IRA are not required to make distributions.

Legislation referred to as the SECURE Act and SECURE 2.0 made changes to the RMD age, based upon the account holder's date of birth.

This table will help you determine your RMD age:

Birthdate	Age*
Account owners born on or before 6/30/1949	70 1/2*
7/1/1949 through 12/31/1950	72*
1/1/1951 through 12/31/1959	73*
Account owners born on or after 1/1/1960	75*
*Age of account owner as of 12/31 of the distribution year.	

Find more individualized information about your RMD age and calculated amount by visiting the RMD Calculator at [BPAS University](#).



More About RMDs:

- RMDs are calculated using the tables provided by [IRS Publication 590-B](#). The calculation is based on a variety of factors, including your age and marital status.
- For your retirement accounts at BPAS, we will calculate the amount and notify you through an annual communication.
- Required minimum distributions from pre-tax sources are taxed as ordinary income.

The Bottom Line:

If you take more than your required minimum amount during the year, you may not need to take any further action. If you do not take a distribution or take less than the required minimum amount for the year, however, the amount not withdrawn may subject to an excise tax, in addition to ordinary income taxes. Navigating RMDs can be tricky; it's wise to consult with your financial or accounting professional to assess your situation.

This is a brief overview and is for informational purposes only; it is not to be construed as advice. Additional rules regarding RMDs may apply. Please visit [IRS.gov](#) for comprehensive information. Consult with your financial or tax professional for specific questions.