

# *Qualified Retirement Plans*

## *Practice Alert*

July 2009

### **Required Minimum Distributions – General Rules**

Beneficiary decisions must be made by the September 30<sup>th</sup> following the year of death. In the absence of a named beneficiary the account must be distributed by the December 31<sup>st</sup> of the year in which the fifth anniversary of death occurs. If there is a named beneficiary see below.

The required beginning date (RBD) is defined as the April 1<sup>st</sup> of the year following the year in which the account owner reaches age 70½. This distribution is with respect to the prior year's Required Minimum Distribution (RMD). A second distribution is required by December 31<sup>st</sup> of the same year. For example if the RBD is April 1, 2009 that distribution is for the 2008 calendar year. A second distribution is due by December 31, 2009 for the 2009 calendar year.

#### **In the event of death BEFORE the Required Beginning Date:**

<b>Beneficiary</b>	<b>IRS Table</b>	<b>Method After First Year</b>	<b>Roll to Own IRA</b>
Non-Spouse	Single Life Beneficiary Age	Reduce by 1	Inherited IRA, then RMD
Spouse Single Life	Recalculate Spouse's age	May wait until participant would have attained age 70½	Spouse can name a beneficiary then if spouse dies use beneficiary's age in year of death and reduce by 1
Multiple	Single Life Of Oldest	Reduce by 1	No. Note: If split into separate accounts by December 31 <sup>st</sup> of the year following death can use individual beneficiary's ages

#### **In the event of death AFTER the Required Beginning Date:**

<b>Beneficiary</b>	<b>IRS Table</b>	<b>Method After First Year</b>	<b>Roll to Own IRA</b>
Non-Spouse	Single Life Beneficiary Age	Reduce by 1	Inherited IRA, then RMD
Spouse	Single Life	Recalculate	Yes if spouse if sole beneficiary As of September 30 <sup>th</sup> deadline above
Multiple	Single Life Of Oldest	Reduce by 1	No. Note: If split into separate accounts by December 31 <sup>st</sup> of the year following death can use individual beneficiary's ages

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