PREPARED BY THE RETIREMENT CLARITY COMMUNITY | 2026

Required Minimum Distributions (RMDs)

A plain-English guide to what they are, when they start, and how to calculate yours. Dig deeper at retirementclaritycommunity.com or join the conversation in our Facebook Group.

WHAT IS AN RMD?

An RMD — **required minimum distribution** — is the minimum amount the IRS requires you to withdraw from your pre-tax retirement accounts each year once you reach **age 73.** The government gave you a tax break when that money went in. RMDs are how they collect taxes on the way out.

You can always withdraw *more* than the minimum. And you are not required to spend it — you can reinvest it in a regular taxable account. But you must take at least the minimum, and it counts as ordinary income in the year you take it.

WHICH ACCOUNTS REQUIRE RMDS?

RMD REQUIRED

- ✔ Traditional IRA
- ✔ SEP IRA
- ✔ SIMPLE IRA
- ✔ 401(k) / 403(b) / 457(b)
- ✔ Most defined contribution plans

NO RMD (OWNER)

- ✔ Roth IRA
- ✔ Roth 401(k) (after 2023)

Beneficiaries of Roth accounts may have RMD rules

WHY DO RMDS MATTER?

RMDs aren't just another retirement withdrawal. They can create a ripple effect throughout your retirement income plan. Understanding that ripple effect is the first step toward planning for it.

REQUIRED MINIMUM DISTRIBUTION

↓

More Taxable Income → Higher Income Taxes / More Social Security Tax / Higher Medicare Premiums

↓

Less Money Growing in Your Accounts

WHEN DO RMDS START?

RMDs begin at **age 73**. Your first RMD has a special deadline. Every one after that is due by **December 31.**

You turn 73	Dec 31 (optional early)	April 1 (hard deadline)	Dec 31 every year after
Year you turn 73	Take 1st RMD early to split tax years	1st RMD due (latest allowed)	All future RMDs due here.

TIP: Taking your first RMD in the year you turn 73 (rather than waiting until April 1 of the next year) means you only have one RMD taxed in that year instead of two. If you wait until April 1, your second RMD is due December 31 of the same year — two taxable withdrawals in one calendar year.

HOW TO CALCULATE YOUR RMD

The formula is the same for everyone. Divide your account balance at the end of last year by your IRS life expectancy factor for your current age.

$400,000 Your Account Balance → **÷ 26.5** Life Expectancy Factor → **= $15,094** Your RMD

Example: $400,000 balance at age 73 | Factor from IRS Uniform Lifetime Table

If you have multiple IRAs, calculate each one separately, then add them together. You can take the total from any one IRA or split it among them — your choice. 401(k) accounts must each have their RMD calculated and withdrawn separately; you cannot satisfy a 401(k) RMD from an IRA.

EXAMPLE: MEET JOHN

JOHN AGE 72
Before RMD

Traditional IRA
$500,000

Social Security
$36,000/yr

Pension
$20,000/yr

Everything looks simple.

IRS says: Take your RMD.

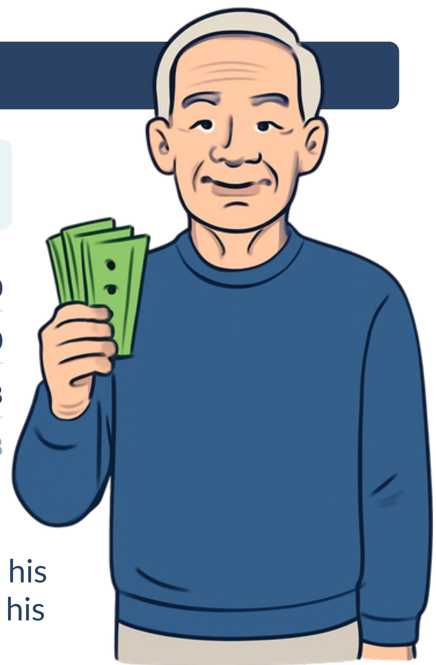
Withdraw **$18,868**

JOHN AGE 73
After Withdrawal

Annual Income

Social Security	$36,000
Pension	$20,000
RMD	$18,868
Total Income	**$74,868**

RMD is now part of John's taxable income for the year.



John doesn't need the money for living expenses, but because his RMD is taxable income, it could increase his tax bill and affect his Medicare premiums. **That's why planning ahead matters.**

IRS LIFE EXPECTANCY FACTORS (UNIFORM LIFETIME TABLE)

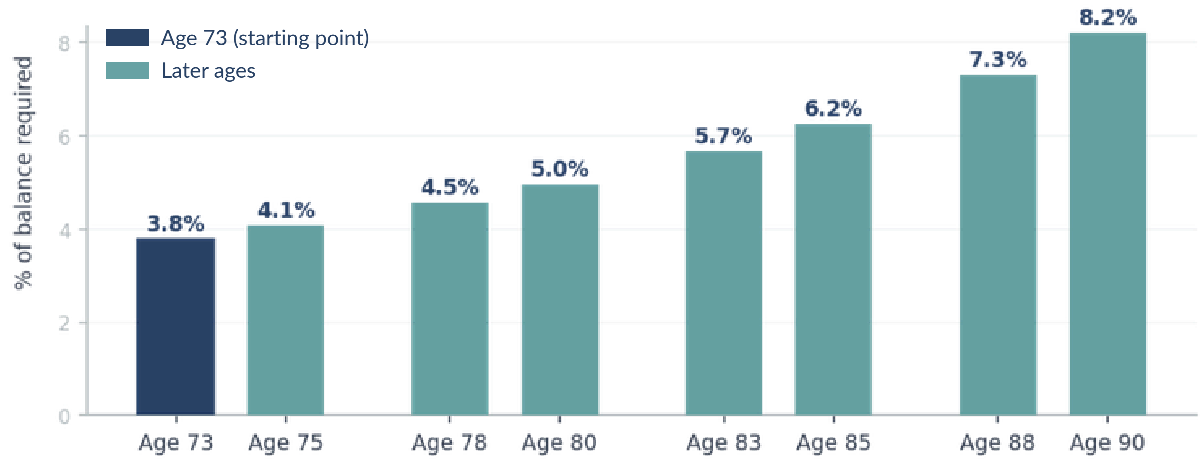
The table below covers most people. A different table applies if your spouse is the sole beneficiary of your IRA and is more than 10 years younger than you — in that case, your RMD will be smaller. *The full tables are in IRS Publication 590-B.*

Your Age	IRS Factor	Min. Withdrawal %
73	26.5	3.77%
74	25.5	3.92%
75	24.6	4.07%
76	23.7	4.22%
77	22.9	4.37%
78	22.0	4.55%
79	21.1	4.74%
80	20.2	4.95%
82	18.5	5.41%
85	16.0	6.25%
88	13.7	7.30%
90	12.2	8.20%
95	8.9	11.24%

The IRS life expectancy factor gets smaller each year as remaining life expectancy decreases.. As that divisor decreases, the percentage you're required to withdraw increases.

HOW THE REQUIRED WITHDRAWAL GROWS OVER TIME

This chart shows what percentage of your balance the IRS requires you to withdraw at each age. At 73 it starts at about 3.8%. By 90 it is over 8%.



WHAT HAPPENS IF YOU MISS AN RMD?

The penalty for not taking your full RMD is steep. The IRS has shown willingness to waive it when the mistake was corrected promptly and was a reasonable error, but the safest approach is simply not to miss it.

Miss your RMD entirely	25% excise tax on the amount not taken
Correct it within 2 years	Penalty reduced to 10%
File IRS Form 5329	Required to report and pay the excise tax

QUALIFIED CHARITABLE DISTRIBUTION (QCD)

At age 70½ or older, you can transfer money directly from your IRA to a qualified charity. That transfer counts toward your RMD but is not added to your taxable income.

TRADITIONAL IRA
$10,000

QUALIFIED CHARITY

Counts toward your RMD ✔

You satisfy the RMD requirement.

Not included in taxable income ✔

No income tax on this withdrawal.

Normal RMD	Qualified Charitable Distribution (QCD)
Counts as taxable income	Not included in taxable income
You donate after paying tax	Money goes directly to charity
Higher taxable income	Can reduce your taxable income
May increase Medicare premiums	May help avoid IRMAA surcharges

If you are already planning to make charitable donations, a QCD may be one of the most tax-efficient ways to give. It can satisfy part or all of your RMD without increasing your taxable income.

This guide is for educational purposes only and does not constitute individualized financial, tax, or legal advice. RMD rules are subject to change. Always consult a qualified tax professional or financial advisor before making decisions about your retirement accounts. **Have questions about RMDs? Join the free Retirement Clarity Community on Facebook.**