

RMD Calculation Methods

Uniform Lifetime Table: IRA owners calculating their own RMDs use this table. An IRA owner whose spouse is more than 10 years younger and the sole beneficiary is the exception (they would use the joint life expectancy table). You can also just use an online RMD calculator.

Joint Life Expectancy Table: Only used by IRA owners whose spouse is more than 10 years younger than them and the sole beneficiary. You can also just use an online RMD calculator.

Single Life Expectancy Table: Used by beneficiaries of inherited IRAs. This table is never used for calculating the original IRA owner's personal RMD.

Bene RMD Calculation

$$\text{RMD} = \frac{\text{Preceding EOY Account Balance}}{\text{Single Life Expectancy Factor}}$$

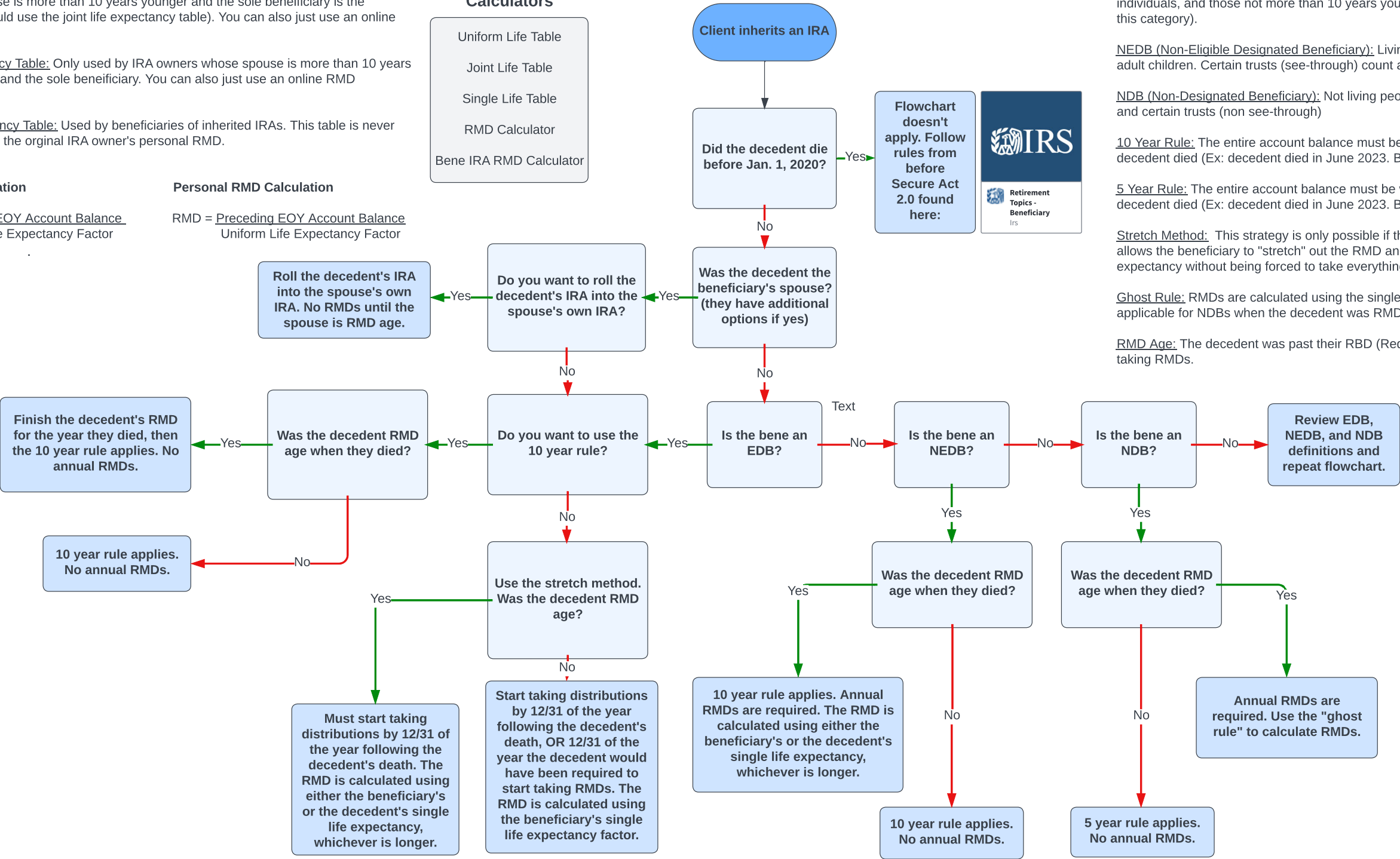
Personal RMD Calculation

$$\text{RMD} = \frac{\text{Preceding EOY Account Balance}}{\text{Uniform Life Expectancy Factor}}$$

Links to Life Expectancy Tables and RMD Calculators

- Uniform Life Table
- Joint Life Table
- Single Life Table
- RMD Calculator
- Bene IRA RMD Calculator

RMD Rules for Inherited IRAs



Definitions

EDB (Eligible Designated Beneficiary): Includes spouse, minor children (considered a minor until their 21st birthday, regardless of school status or state law age of majority), disabled or chronically ill individuals, and those not more than 10 years younger than the original owner (most siblings fall into this category).

NEDB (Non-Eligible Designated Beneficiary): Living people who do not qualify as EDBs, including adult children. Certain trusts (see-through) count as NEDBs.

NDB (Non-Designated Beneficiary): Not living people. Includes charities, your estate (named in will), and certain trusts (non see-through)

10 Year Rule: The entire account balance must be withdrawn by the end of the 10th year after the decedent died (Ex: decedent died in June 2023. Balance must be withdrawn by Dec 31, 2034)

5 Year Rule: The entire account balance must be withdrawn by the end of the 5th year after the decedent died (Ex: decedent died in June 2023. Balance must be withdrawn by Dec 31, 2029)

Stretch Method: This strategy is only possible if the beneficiary is the spouse or another EDB. This allows the beneficiary to "stretch" out the RMD and take annual RMDs based on their own life expectancy without being forced to take everything out within 10 years.

Ghost Rule: RMDs are calculated using the single life expectancy table of the decedent. This is only applicable for NDBs when the decedent was RMD age when they died.

RMD Age: The decedent was past their RBD (Required Beginning Date) and was required to start taking RMDs.