

Guide to calculating Required Minimum Distributions from a traditional IRA



When you reach age 70½, the IRS requires you to withdraw a minimum amount, referred to as a Required Minimum Distribution (RMD), each year from your traditional IRA. This Guide can help you understand when you must begin taking RMDs, which accounts you must take them from and how to calculate your RMD amount.

At a glance

What is an RMD?

An RMD represents the minimum amount of money you need to withdraw each year from your traditional IRA to avoid potential additional taxes.

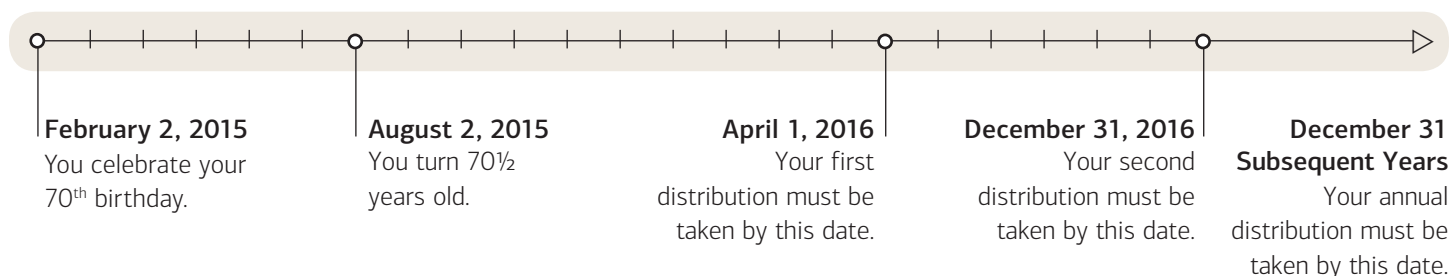
Why is it important to make RMD withdrawals on time?

If you fail to withdraw the full amount of your RMD by the applicable deadline, you may be subject to an additional tax of 50% of the amount you should have withdrawn, but did not.

Deadlines for taking your RMDs

If this is your first distribution year, you have until April 1st of the year after you reach age 70½ to take your first distribution. In all subsequent years, your RMD must be taken by December 31st. This means that if you delay your first distribution to the year after you turn age 70½, you will be required to take two RMDs in that year.

To help illustrate the distribution deadlines, let's use an example that assumes you turn 70 on February 2, 2015.



- To avoid taking two RMDs in the same tax year (in our example, by April 1, 2016 and by December 31, 2016) and perhaps increasing your marginal tax rate, you may want to take the first RMD by December 31 of the year in which you turn 70½ (in our example, December 31, 2015).
- Distributions can be taken any time during the year, and multiple distributions are acceptable as long as the total amount distributed throughout the year equals your RMD for that year.
- You can take out more than your RMD if you choose. Keep in mind that if you take out more than your RMD, these additional distributions are not credited against your RMD for the following year.



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Multiple IRA accounts

You are required to take RMDs from your traditional IRA. If you have more than one traditional IRA, the IRS treats all of these IRAs as if they are one account. For this reason, you can take the aggregated RMD amount proportionately from each IRA, from one IRA or from any combination of IRAs.

How to calculate your RMD

Your Merrill Lynch financial advisor or your independent tax advisor can help you calculate your RMD. The calculations will be made using one of the tables on the following pages, published by the IRS.

Uniform Lifetime Table

Many IRA account owners will use the Uniform Lifetime Table to calculate their RMDs. Use this table if any of the following apply:

- Your beneficiary is your spouse who is less than 10 years younger than you.
- Your beneficiary is your spouse who is older than you.
- Your beneficiary is not your spouse.
- You have more than one primary beneficiary.
- Your beneficiary is a trust or other nonliving entity.

Joint Life and Last Survivor Expectancy Table

Use this table if your sole primary beneficiary is your spouse who is more than 10 years younger than you. To use this special calculation, your spouse generally must be your sole designated beneficiary for the entire year. You also will qualify if your spouse is your sole designated beneficiary on January 1st of the year and your designated beneficiary changes during the year because your spouse dies or you divorce.

How can you get started?

If you'd like help calculating your RMDs, talk to your Merrill Lynch financial advisor or independent tax advisor. Your Merrill Lynch financial advisor can help you determine how much you need to withdrawal, when to start and the role RMDs play in your overall retirement plan. To learn more about Merrill Lynch's approach to retirement, visit www.wealthmanagement.ml.com.

How to automate your RMD

Merrill Lynch can help you automate your RMD.

We can calculate your distributions for you, helping to ensure that you meet IRS deadlines for distributions. The Merrill Lynch Required Minimum Distribution Service will automatically calculate and distribute your annual RMD from your IRA to another Merrill Lynch account or to an account at another financial institution.

In addition, you can choose how often you would like to receive distributions:

- Monthly;
- Quarterly;
- Annually; or
- Semi-annually

Enrolling in the service is quick and simple. To learn more about this convenient service or to enroll, talk to your Merrill Lynch financial advisor.

Important note

This Guide addresses RMDs during the lifetime of the IRA account holder only. If you have an inherited IRA, please contact your Merrill Lynch financial advisor or your independent tax advisor about when and how to begin taking distributions.

Uniform Lifetime Table*

Use this table to calculate the RMD in all cases except when the spouse is the sole beneficiary and is more than 10 years younger than the account owner.

Age of the account owner	Distribution period	Age of the account owner	Distribution period
70	27.4	95	8.6
71	26.5	96	8.1
72	25.6	97	7.6
73	24.7	98	7.1
74	23.8	99	6.7
75	22.9	100	6.3
76	22.0	101	5.9
77	21.2	102	5.5
78	20.3	103	5.2
79	19.5	104	4.9
80	18.7	105	4.5
81	17.9	106	4.2
82	17.1	107	3.9
83	16.3	108	3.7
84	15.5	109	3.4
85	14.8	110	3.1
86	14.1	111	2.9
87	13.4	112	2.6
88	12.7	113	2.4
89	12.0	114	2.1
90	11.4	115 and older	1.9
91	10.8		
92	10.2		
93	9.6		
94	9.1		

* Source: Publication 590, Individual Retirement Arrangements (IRAs), Appendix C, for use in preparing 2013 Returns, January 5, 2014.

Joint Life and Last Survivor Expectancy Table*

Use this table to calculate the RMD when the spouse is the sole beneficiary and is more than 10 years younger than the account owner. If your age does not appear on the charts reproduced in this guide, please consult the complete tables included in [IRS Publication 590](#) (January 5, 2014).

Ages	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69
70	31.1	30.3	29.5	28.8	28.1	27.4	26.7	26.1	25.4	24.8	24.3	23.7	23.2	22.7	22.2
71	30.9	30.1	29.4	28.6	27.9	27.2	26.5	25.8	25.2	24.5	23.9	23.4	22.8	22.3	21.8
72	30.8	30.0	29.2	28.4	27.7	27.0	26.3	25.6	24.9	24.3	23.7	23.1	22.5	22.0	21.4
73	30.6	29.8	29.1	28.3	27.5	26.8	26.1	25.4	24.7	24.0	23.4	22.8	22.2	21.6	21.1
74	30.5	29.7	28.9	28.1	27.4	26.6	25.9	25.2	24.5	23.8	23.1	22.5	21.9	21.3	20.8
75	30.4	29.6	28.8	28.0	27.2	26.5	25.7	25.0	24.3	23.6	22.9	22.3	21.6	21.0	20.5
76	30.3	29.5	28.7	27.9	27.1	26.3	25.6	24.8	24.1	23.4	22.7	22.0	21.4	20.8	20.2
77	30.3	29.4	28.6	27.8	27.0	26.2	25.4	24.7	23.9	23.2	22.5	21.8	21.2	20.6	19.9
78	30.2	29.3	28.5	27.7	26.9	26.1	25.3	24.6	23.8	23.1	22.4	21.7	21.0	20.3	19.7
79	30.1	29.3	28.4	27.6	26.8	26.0	25.2	24.4	23.7	22.9	22.2	21.5	20.8	20.1	19.5
80	30.1	29.2	28.4	27.5	26.7	25.9	25.1	24.3	23.6	22.8	22.1	21.3	20.6	20.0	19.3
81	30.0	29.2	28.3	27.5	26.6	25.8	25.0	24.2	23.4	22.7	21.9	21.2	20.5	19.8	19.1
82	30.0	29.1	28.3	27.4	26.6	25.8	24.9	24.1	23.4	22.6	21.8	21.1	20.4	19.7	19.0
83	29.9	29.1	28.2	27.4	26.5	25.7	24.9	24.1	23.3	22.5	21.7	21.0	20.2	19.5	18.8
84	29.9	29.0	28.2	27.3	26.5	25.6	24.8	24.0	23.2	22.4	21.6	20.9	20.1	19.4	18.7
85	29.9	29.0	28.1	27.3	26.4	25.6	24.8	23.9	23.1	22.3	21.6	20.8	20.1	19.3	18.6

Ages	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84
70	21.8	21.3	20.9	20.6	20.2	19.9	19.6	19.4	19.1	18.9	18.7	18.5	18.3	18.2	18.0
71	21.3	20.9	20.5	20.1	19.7	19.4	19.1	18.8	18.5	18.3	18.1	17.9	17.7	17.5	17.4
72	20.9	20.5	20.0	19.6	19.3	18.9	18.6	18.3	18.0	17.7	17.5	17.3	17.1	16.9	16.7
73	20.6	20.1	19.6	19.2	18.8	18.4	18.1	17.8	17.5	17.2	16.9	16.7	16.5	16.3	16.1
74	20.2	19.7	19.3	18.8	18.4	18.0	17.6	17.3	17.0	16.7	16.4	16.2	15.9	15.7	15.5
75	19.9	19.4	18.9	18.4	18.0	17.6	17.2	16.8	16.5	16.2	15.9	15.6	15.4	15.2	15.0
76	19.6	19.1	18.6	18.1	17.6	17.2	16.8	16.4	16.0	15.7	15.4	15.1	14.9	14.7	14.4
77	19.4	18.8	18.3	17.8	17.3	16.8	16.4	16.0	15.6	15.3	15.0	14.7	14.4	14.2	13.9
78	19.1	18.5	18.0	17.5	17.0	16.5	16.0	15.6	15.2	14.9	14.5	14.2	13.9	13.7	13.4
79	18.9	18.3	17.7	17.2	16.7	16.2	15.7	15.3	14.9	14.5	14.1	13.8	13.5	13.2	13.0
80	18.7	18.1	17.5	16.9	16.4	15.9	15.4	15.0	14.5	14.1	13.8	13.4	13.1	12.8	12.6
81	18.5	17.9	17.3	16.7	16.2	15.6	15.1	14.7	14.2	13.8	13.4	13.1	12.7	12.4	12.2
82	18.3	17.7	17.1	16.5	15.9	15.4	14.9	14.4	13.9	13.5	13.1	12.7	12.4	12.1	11.8
83	18.2	17.5	16.9	16.3	15.7	15.2	14.7	14.2	13.7	13.2	12.8	12.4	12.1	11.7	11.4
84	18.0	17.4	16.7	16.1	15.5	15.0	14.4	13.9	13.4	13.0	12.6	12.2	11.8	11.4	11.1
85	17.9	17.3	16.6	16.0	15.4	14.8	14.3	13.7	13.2	12.8	12.3	11.9	11.5	11.1	10.8

*Source: Publication 590, Individual Retirement Arrangements (IRAs), Appendix C, for use in preparing 2013 Returns, January 5, 2014.

Worksheet

Your Merrill Lynch financial advisor or independent tax advisor can calculate your RMD. You can also enroll in the Merrill Lynch Required Minimum Distribution Service which can help you calculate and automate your RMD. However, if you prefer to calculate your RMD on your own, you can use the following worksheet. Keep in mind that if you have more than one traditional IRA, you must calculate the RMD for each IRA separately. You may then aggregate your RMD and withdraw the total from one or more of your traditional IRAs in any proportion.

1. IRA account number _____
2. Year for which the RMD is being calculated _____
3. Your age in the distribution year _____
4. IRA account balance as of December 31st of the previous year _____
5. Name of the primary beneficiary for this IRA
(If there is more than one primary beneficiary, you must indicate the eldest beneficiary or the name of the charity, trust, estate, etc., on this line.) _____
6. Is this beneficiary your spouse?
(If you answered "No," skip to question 9.) Yes ☐ No ☐
7. If you indicated that your spouse is the primary beneficiary, is your spouse the sole beneficiary?* (If you answered "No," skip to question 9.) Yes ☐ No ☐
8. Your spouse's age in the distribution year _____

Determining the distribution period (Answer only one of questions 9 - 11.)

9. If you answered "No" to either question 6 or 7, locate your age on the Uniform Lifetime Table. Locate the distribution period next to your age in the Uniform Lifetime Table. *Indicate the distribution period here.* _____
10. If you answered "Yes" to both questions 6 and 7 and your spouse is less than 10 years younger than you, or if your spouse is older than you, locate your age on the Uniform Lifetime Table. Locate the distribution period next to your age in the Uniform Lifetime Table. *Indicate the distribution period here.* _____
11. If you answered "Yes" to both questions 6 and 7 and your spouse is more than 10 years younger than you, locate your age and your spouse's age on the Joint Life and Last Survivor Life Expectancy Table. Locate the distribution period next to your age in the Joint Life and Last Survivor Life Expectancy Table. *Indicate the distribution period here.* _____

Calculating your RMD

- a. Account balance from question 4 \$ _____
- b. Distribution period from question 9, 10 or 11 ÷ _____
- c. Your RMD for the year ($a \div b$) \$ _____
(must be withdrawn by December 31st.
If you turn 70½ this year, the deadline
is extended until April 1st of next year.)

Note: Keep a copy of this worksheet for your records. For more information on requesting a distribution from your Merrill Lynch traditional IRA, please contact your financial advisor. This worksheet is intended to provide a basic understanding of RMD calculations. It is important to consult your independent tax or legal advisor about your minimum distribution requirements before you make any decisions regarding the distribution of your retirement assets. Consult your independent tax or legal advisor concerning questions about your RMDs and to help you better understand how regulations for RMDs relate to your specific financial concerns.

*To answer "Yes" your spouse generally must be your sole designated beneficiary for the entire year. You also may answer "Yes" if your spouse is your sole designated beneficiary on January 1st of the year you and your designated beneficiary changes during the year because your spouse dies or you divorce.

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