

## What is changing with RMDs in 2022?

A Required Minimum Distribution (RMD) is the minimum amount of money you may be required to withdraw from a tax-deferred retirement plan and pay ordinary income taxes on after you reach age 72 (or age 70½ if you were born before July 1, 1949)<sup>1,2</sup>. Once you reach this milestone, you generally must take an RMD each year by December 31st.

In November 2020, the IRS issued new life expectancy tables that became effective January 1, 2022. This was the first change in the RMD tables since 2002 and was intended to reflect the improvement in mortality rates over that period. As shown below, the new tables generally mean you'll need to withdraw less money to meet the RMD requirement.

Age	Uniform Life Table In Effect Through 2021		New Uniform Life Table In Effective January 1, 2022		Comparison	
	Current Uniform Table RMD Factor	Current RMD as a % of Account Balance	New Uniform Table RMD Factor	New RMD as a % of Account Balance	Difference	Decrease of RMD %
70	27.4	3.65%	29.1	3.44%	-0.21%	-5.75%
71	26.5	3.78%	28.2	3.55%	-0.23%	-6.08%
72	25.6	3.91%	27.4	3.65%	-0.26%	-6.65%
73	24.7	4.05%	26.5	3.78%	-0.27%	-6.67%
74	23.8	4.21%	25.5	3.93%	-0.28%	-6.65%
75	22.9	4.37%	24.6	4.07%	-0.30%	-6.86%
76	22.0	4.55%	23.7	4.22%	-0.33%	-7.25%
77	21.2	4.72%	22.9	4.37%	-0.35%	-7.42%
78	20.3	4.93%	22.0	4.55%	-0.38%	-7.71%
79	19.5	5.13%	21.1	4.74%	-0.39%	-7.60%
80	18.7	5.35%	20.2	4.96%	-0.39%	-7.29%
81	17.9	5.59%	19.4	5.16%	-0.43%	-7.69%
82	17.1	5.85%	18.5	5.41%	-0.44%	-7.52%
83	16.3	6.14%	17.7	5.65%	-0.49%	-7.98%
84	15.5	6.46%	16.8	5.96%	-0.50%	-7.74%
85	14.8	6.76%	16.0	6.25%	-0.51%	-7.54%
86	14.1	7.10%	15.2	6.58%	-0.52%	-7.32%
87	13.4	7.47%	14.4	6.95%	-0.52%	-6.96%
88	12.7	7.88%	13.7	7.30%	-0.58%	-7.36%
89	12.0	8.34%	12.9	7.76%	-0.58%	-6.95%
90	11.4	8.78%	12.2	8.20%	-0.58%	-6.61%
91	10.8	9.26%	11.5	8.70%	-0.56%	-6.05%
92	10.2	9.81%	10.8	9.26%	-0.55%	-5.61%
93	9.6	10.42%	10.1	9.91%	-0.51%	-4.89%
94	9.1	10.99%	9.5	10.53%	-0.46%	-4.19%
95	8.6	11.63%	8.9	11.24%	-0.39%	-3.35%
96	8.1	12.35%	8.4	11.91%	-0.44%	-3.56%
97	7.6	13.16%	7.8	12.83%	-0.33%	-2.51%
98	7.1	14.09%	7.3	13.70%	-0.39%	-2.77%
99	6.7	14.93%	6.8	14.71%	-0.22%	-1.47%
100	6.3	15.88%	6.4	15.63%	-0.25%	-1.57%

Source: <https://www.irs.gov/pub/irs-dft/p590b--dft.pdf>

## How to calculate required minimum distribution for an IRA

To calculate your required minimum distribution, divide the prior year-end value of your IRA or employer sponsored plan by the RMD factor that matches your attained age on December 31st in the current year.

For example, assume an IRA owner attaining age 80 this year has an account worth \$100,000 at the end of last year. To calculate the RMD, look up the RMD factor for age 80, which is 20.2 years. Divide \$100,000 by 20.2 to get the RMD of \$4,950.50 this year.

If you need further help calculating your RMD, use our [RMD Calculator](#) or talk to your financial professional.

<sup>1</sup> If you are still working beyond age 72 and don't own 5% or more of the company, you can avoid taking RMDs from your current employer's 401(k) until you retire.

<sup>2</sup> The proposed SECURE Act 2.0 may change the age at which distributions must begin to age 73 in 2023, 74 in 2030 and 75 in 2033.

<sup>3</sup> Yahoo.com, Good News for Retirees: RMD Formula Changing for First Time in Decades

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