Required Minimum Distribution Information

Important Information regarding Required Minimum Distributions from your IRA

Required minimum distributions (RMDs) are mandatory annual withdrawals that must be taken from your Traditional, SEP, or SIMPLE Individual Retirement Account (IRA). Your first RMD must be taken by April 1 of the calendar year following the calendar year in which you turn 73, and your subsequent RMDs must be taken by December 31 of each year. If you are already meeting your RMD requirements from another IRA, you do not need to take a distribution from your LPL Individual Retirement Account.

Are there deadlines for taking a RMD each year?

The deadline for taking RMDs is December 31 each year. You may delay taking your first RMD (and only your first) until April 1 of the year after you turn 73. If you choose to delay your first RMD, you will have to take your first and second RMD in the same tax year. For example, if you turn 73 in 2025, your first RMD is due by April 1, 2026 and the second RMD by December 31, 2026.

How much do I need to take out of my IRA?

Your RMD is calculated by dividing the fair market value of your retirement account as of December 31st of the prior year by your life expectancy factor taken from the Uniform Lifetime Table. If you have multiple IRAs, you must calculate your RMD separately for each one, but you may combine your distribution amount and take from one IRA or across several accounts (excluding inherited IRAs). Your quarterly statements from LPL include a section specific to your RMD to help you track year - to - date distributions. We encourage you to meet with your financial professional or tax advisor to evaluate your individual situation and help you make an informed decision about your IRA(s) and your RMD(s).

What action is required on my part?

We cannot make distributions from your IRA without specific directions from you. If you don't take your RMD in a timely manner, you may be subject to a 25% penalty assessed by the IRS on the amount you should have withdrawn. Please speak to your financial professional about your RMD and withdrawal options.

How do I request my RMD?

If you have a pre - existing arrangement with your financial professional to meet your RMD, no further action should be required from you. Otherwise, your financial professional can help you determine the best method to meet your specific needs and assist you with setting up your withdrawal.

I am older than 73, can I still make a contribution to my IRA?

Due to the tax law changes contained in the SECURE Act effective January 1, 2020, there is no age limit on making regular contributions to a Traditional or Roth IRA.

Where can I obtain additional information about RMD requirements?

Your financial professional can provide you with additional information and resources. We encourage you to discuss your specific needs with your financial professional and tax advisor.

If you have any other questions, please contact your financial professional.