

Required Minimum Distributions (RMD) Q&A

- 1. Who do the required minimum distribution rules apply to?** They generally apply to anyone who is age 70½ or over in 2016. There is an exception if you're still working.
- 2. What if I'm age 70½ or over and still working?** If you continue to work past age 70½, you can delay withdrawing funds from **your current employer's retirement plan** (Oregon Public Universities Retirement Plans) until April 1 following the calendar year in which you retire. This applies to the Oregon Savings Growth Plan (OSGP) as well.
- 3. What if I'm working and also have tax-deferred retirement accounts from previous employers?** You must satisfy the minimum distribution rule for those accounts each year, beginning when you reach age 70½. You should verify your situation with your tax advisor.
- 4. If I have an account with the Oregon Savings Growth Plan (OSGP) 457(b) plan, do I also need to take a Required Minimum Distribution from that plan?** Yes, if you are no longer working for an Oregon Public University. You will receive a letter from OSGP in October if you are eligible for the distribution letting you know that you have to take a minimum distribution. If you do not respond, OSGP will automatically send you the required distribution amount. Federal taxation of 10% will be withheld unless you contact OSGP and opt for a different withholding amount.
- 5. Do I have to satisfy the Required Minimum Distribution rules for my tax deferred Traditional IRAs?** Yes, regardless of your employment status. You must take your first Required Minimum Distribution from your Traditional IRAs no later than April 1 of the year following the year you turn age 70½, (e.g., if you turn age 70½ in 2016, you must begin taking distributions by April 1, 2017).
- 6. Do I have to satisfy the Required Minimum Distribution rules for my Roth IRAs?** No. Minimum distribution rules don't apply to Roth IRAs during the owner's lifetime, but will apply to the beneficiary that inherits the Roth IRA. Required Minimum Distributions do, however, apply to your Roth 403(b) that is sponsored by your employer.
- 7. What do I do if I think I need to take a withdrawal?** You should contact your record keeper if you have never taken a minimum distribution and would like to begin; or if you're already withdrawing funds, but aren't sure it's enough to meet the IRS requirement.
- 8. How do I set up withdrawals?** If you need help setting up your minimum distribution withdrawals, you should contact your plan record keeper.

9. Are Required Minimum Distributions eligible for rollover to another plan or IRA? No, they are not.

10. When do I have to take a distribution? You generally have to start distributions when you turn age 70½ or retire, whichever is later:

- If you turn age 70½ or retire (and you're already age 70½ or over) in 2016, you have two choices; you can take your first withdrawal (the amount required for 2016) in 2016. Or, you can wait and take it in 2017, as long as it is paid by April 1. However, if you wait until 2017 to take your first withdrawal, you'll have to take two withdrawals in that year—one for the amount required for 2016 and one for 2017—which may increase your tax liability in 2017.
- If you turned age 70½ before 2016, you need to take your minimum distribution by December 31, 2016.

11. How much do I need to withdraw from my accounts? Your Required Minimum Distribution for 2016 is based on two things: your age this year and your account balance at the end of last year. (Since your age and account balance change every year, your Required Minimum Distribution must be recalculated annually.) The amount is based upon your life expectancy factor as recalculated each year using the Uniform Life Table. If your spouse is named as your sole beneficiary, and is 10 years younger than you, a joint life expectancy calculation will be used. To find out the amount you're required to take for 2016, you should call the customer service lines at your specific record keeper (TIAA, Fidelity or VALIC), and they should be able to assist you. Some plan websites also have online calculators to help you estimate your RMD.

Note: Contact your tax advisor regarding the tax impact of any minimum distribution decision.

12. I have a small account balance. What options do I have? If your account balance is less than \$5,000, you may be able to withdraw the entire amount; that way, you won't have to worry about satisfying the minimum distribution requirement for that account in the future. Different rules apply to different accounts, so please contact your representative at your specific record keeper.

13. What if I don't take the required amount? If you don't comply with the IRS rules, you could be subject to a 50% excise tax on the amount you should have taken, but did not.

14. Where can I get more information about minimum distributions? Contact the record keeper for your account(s) (TIAA, Fidelity, or VALIC) and their customer service representatives will be able to provide you with more information. Additional information regarding minimum distributions is also available on their websites.

Required Minimum Distributions (RMDs) based on your employment status with an Oregon Public University:

Account	Still Working	RMD Required	When is the RMD required	Subsequent Years (after reaching age 70½)
*OPURP 403(b) - Tax Deferred	Yes	No	After you retire	
*OPURP 403(b) - Roth	Yes	No	After you retire	
*OPURP Optional Retirement Account	Yes	No	After you retire	
Oregon Savings Growth Plan (Pre-Tax and Roth)	Yes	No	After you retire	By December 31 st of that year
Previous Employer's Tax Deferred Retirement Accounts	Yes	Yes	April 1st following the year you turn age 70½	By December 31 st of that year
IRA	Yes	Yes	April 1st following the year you turn age 70½	By December 31 st of that year
Roth IRA	Yes	No	No distributions requirement during your lifetime	
*OPURP 403(b) - Tax Deferred	No	Yes	April 1st following the year you turn age 70½ or retire (whichever is later)	By December 31 st of that year
*OPURP 403(b) - Roth	No	Yes	April 1st following the year you turn age 70½ or retire (whichever is later)	By December 31 st of that year
*OPURP Optional Retirement Account	No	Yes	April 1st following the year you turn age 70½ or retire (whichever is later)	By December 31 st of that year
Oregon Savings Growth Plan (Pre-Tax and Roth)	No	Yes	April 1 st following the year you turn age 70½ or retire (whichever is later)	By December 31 st of that year
Previous Employer's Tax Deferred Retirement Accounts	No	Yes	April 1st following the year you turn age 70½	By December 31 st of that year
IRA	No	Yes	April 1st following the year you turn age 70½	By December 31 st of that year
Roth IRA	No	No	No distributions requirement during your lifetime	By December 31 st of that year

*OPURP = Oregon Public Universities Retirement Plans