



At a glance

You must begin taking RMDs from your IRA no later than April 1 following the calendar year in which you turn 70½.

In subsequent years, the distribution deadline is Dec. 31.

Your RMD is calculated annually by dividing the adjusted balance of all of your IRAs on Dec. 31 of the previous year by the applicable divisor from the IRS Uniform Lifetime Table.

Failure to take an RMD results in a tax penalty of 50% on the amount you should have withdrawn.

Required Minimum Distributions

When you must withdraw from your IRA

You opened your IRA, perhaps years ago, to enjoy tax-deferred growth for your retirement savings. Each year your contribution limit has been determined by tax law.

Likewise, tax law requires that you take a specific amount of money out of your IRA when you reach a certain age. Failure to take this required minimum distribution (RMD) may result in a hefty tax penalty. This information will help you avoid that situation.

At what age must I begin taking RMDs?

You must begin taking minimum distributions from your IRA no later than April 1 following the calendar year in which you turn 70½. For example, if you celebrate your 70th birthday on March 12, 2010 – with Sept. 12 marking 70½ – you must take your first RMD no later than April 1, 2011.

Is April 1 always the deadline for taking my RMD?

No. The April 1 rule applies only in the first year in which you must take an RMD. In subsequent years, the deadline is Dec. 31. In the example above, if you wait until April 1, 2011, to take your first RMD, you will have to take another RMD by Dec. 31, 2011. Both distributions will be reported on your 2011 tax return and taxed in the same year.

How can I avoid taking two RMDs in the same year?

You can opt to take your first RMD by Dec. 31 of the year you turn 70½ to avoid having two taxable IRA distributions in the same year. For instance, in the example given earlier, you could opt to take your first RMD by Dec. 31, 2010, rather than by April 1, 2011.

How is my RMD calculated?

Divide the adjusted balance of all of your IRAs on Dec. 31 of the previous year by the applicable divisor from the IRS Uniform Lifetime Table on the back of this page. The result is your current-year RMD.

Can I take more than the minimum amount from my IRA without penalty?

Yes, you can always take out more than the required minimum distribution. Keep in mind, however, that any distributions from a traditional IRA are added to taxable income in the year distributed.

What happens if I don't take an RMD?

You will be subject to an additional 50% penalty on the amount you should have withdrawn.

How do I determine what age to use when looking at the life expectancy tables?

Use the age you will turn on this year's birthday. For example, if you turn 73 in December, find 73 on the table below and use the applicable divisor to the right – in this case, 24.7 – to calculate your RMD.

You can also use Invesco Aim's online RMD calculator. Simply go to invescoaim.com and click on Education & Planning, then Tools & Calculators.

Are there exceptions to using the IRS Uniform Lifetime Table?

Yes. If your spouse is the sole beneficiary of your IRA and is more than 10 years younger than you are, you may use a different table that addresses joint life expectancy, which will result in a lower RMD. Contact your financial adviser for information about obtaining the Joint and Last Survivor Table.

What if I die before withdrawing all the money from my IRA?

Your account will be passed on to your designated beneficiary – the person named as beneficiary on the account on Sept. 30 of the year following your year of death. Your beneficiary will, in turn, be required to take distributions based on his or her life expectancy.

Depending on your beneficiary designation, your IRA could have the potential to continue growing tax deferred beyond your lifetime.

Age	Applicable divisor	Age	Applicable divisor	Age	Applicable divisor
70	27.4	80	18.7	90	11.4
71	26.5	81	17.9	91	10.8
72	25.6	82	17.1	92	10.2
73	24.7	83	16.3	93	9.6
74	23.8	84	15.5	94	9.1
75	22.9	85	14.8	95	8.6
76	22.0	86	14.1	96	8.1
77	21.2	87	13.4	97	7.6
78	20.3	88	12.7	98	7.1
79	19.5	89	12.0	99	6.7

Talk to your financial adviser

One of the best ways to help reach your goal is to partner with a strong team: a financial adviser who can provide sound guidance based on your individual needs and an investment company that can deliver a broad range of diversified strategies. Talk to your financial adviser about how an investment plan and Invesco Aim can help you pursue your financial goals.

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Consider the investment objectives, risks and charges and expenses carefully. For this and other information about AIM funds, obtain a prospectus from your financial adviser and read it carefully before investing.

Note: Not all products, materials or services available at all firms. Advisers, please contact your home office.

This information is not intended as tax advice. Investors should consult a tax adviser.