

Retirees: RMD Strategies

Year-end is a critical time for retirees with qualified retirement accounts who are subject to required minimum distributions (RMDs). To avoid a hefty penalty (50 percent of the amount that should have been withdrawn), your RMD must be taken from your retirement account on an annual basis, by calendar year-end. (This differs from the deadline governing your first RMD, which must be taken before April 1 of the year after you turn 70 ½.)

But what if you don't need the income for current living expenses, or taking the income will result in paying higher taxes or increase your Medicare insurance premiums? If you're over age 70 ½, you have the option of making a Qualified Charitable Distribution (QCD). Instead of taking an RMD, a QCD permits a direct transfer of up to \$100,000 from your IRA to a qualified charity.

QCDs automatically satisfy required minimum distributions (RMDs) for the year when the QCD is made, which is a real advantage for charitable-minded IRA owners who don't need RMDs to live on. But remember, funds that have already been distributed from an IRA to the IRA owner, and are then contributed to charity, don't qualify as a QCD.

If you have questions about RMDs or QCDs, or need assistance with year-end financial and tax planning, don't hesitate to contact me at (407) 237-0117 or NRussell@SunriseWealthAdvisors.com

All the Best,



Nick J. Russell, CRPC®
Founding Partner
Investment Advisor Representative

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