

# Understanding REQUIRED MINIMUM DISTRIBUTIONS (RMDs)

## What are Required Minimum Distributions?

The Internal Revenue Service (IRS) requires retirement plan participants to begin taking a minimum distribution amount from their retirement plan upon attainment of age 70½ or retirement, whichever is later. These are commonly known as Required Minimum Distributions or RMDs.

## When is my RMD required to be withdrawn?

Unless you are still working for the State of Connecticut, you must take your RMD from your State of Connecticut Defined Contribution Plan account during the year in which you attain age 70½. You may initiate the first withdrawal by December 31 or wait until April 1 of the following calendar year. Once you begin taking RMDs, even if you return to active employment, you must continue to do so by December 31 of each year until the account balance is depleted.

If you delay your first RMD to April 1, you will be required to take a second distribution before the end of the same year.

## How is my RMD calculated?

The IRS releases a Uniform Lifetime Table, which provides a life expectancy factor based on your age. Your account balance as of December 31 of the prior year is divided by this factor to determine the minimum amount to be withdrawn. If your spouse is the sole beneficiary of your account and is more than 10 years younger than you, the Joint Life and Last Survivor Expectancy Table will be used.

We provide three ways to assist you in determining your RMD amount:

1. Visit our dedicated website, [ctdcp.com](http://ctdcp.com), click on the 'Your Tools' tab and then scroll down to the 'Nearing Retirement' section for the RMD calculator
2. Contact a Prudential representative at **844-505-SAVE** (844-505-7283)
3. Use the RMD worksheet on the reverse side of this flyer.

## How are the RMD withdrawals initiated?

You must request that Prudential initiate your RMD and specify how you want to receive your payment. You can do this by completing the appropriate withdrawal form or by calling Prudential at **844-505-SAVE** (844-505-7283). You may request payment of your RMD on an annual basis, one-time lump-sum basis or systematic payments basis (monthly, quarterly, semi-annual). Details are below:

- **Annual Basis**—complete the **Required Minimum Distribution Form** for your plan and indicate the month in which you prefer to receive your payment. You must elect when to receive your first payment and then your ongoing future payments.
- **One-Time Lump-Sum RMD Payment**—complete the **Withdrawal Request Form** for your plan (457, 403(b), ARP or Tier IV). This may be of interest to 403(b) members who also hold account balances with multiple 403(b) employers. See special rule on reverse side of flyer.
- **Systematic Payments**—complete the **Systematic Withdrawal Form** for your plan (457, 403(b), ARP or Tier IV). On this form you elect a flat amount to receive each period you choose—monthly, quarterly, semi-annual, annual. If your annual RMD is more than the elected annual flat amount on this form, Prudential will pay out the difference to you at the end of the calendar year for the 457, ARP and Tier IV Plan.

Download the form you need at [ctdcp.com](http://ctdcp.com) under the 'Forms' tab.

## What will happen if I fail to initiate my RMD?

If Prudential does not receive your request to initiate your RMD by October 15, the payment will automatically be sent to you by December 31 for the State of Connecticut 457 Deferred Compensation Plan, the Alternate Retirement Program (ARP) and the Tier IV Defined Contribution Plan. State of Connecticut 403(b) Plan members will not have their RMD paid automatically.

**NOTE: If you do not take an RMD when you are required to do so, you will be assessed a 50% federal excise tax payable on the difference between the RMD amount due and the actual amount distributed. Contact Prudential at 844-505-SAVE (844-505-7283) regarding special rules that apply to deceased plan members.**



STATE OF CONNECTICUT DEFINED CONTRIBUTION PLANS

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# Required Minimum Distribution Worksheet

Use this worksheet to figure this year's required withdrawal for your retirement account UNLESS your spouse<sup>1</sup> is the sole beneficiary of your retirement account and he or she is more than 10 years younger than you.

Deadline for receiving required minimum distribution:

- Year you turn age 70½—by April 1 of the following year
- All subsequent years—by December 31 of that year

### Special Rule for 403(b) Plan members:

Individuals who participate in multiple 403(b) plans can aggregate the balances for all 403(b) accounts and can elect to receive a total RMD from just one plan or determine the RMD for each plan and withdraw it from each plan individually. (You cannot aggregate account balances in your 403(b) Plan with those from other sources such as 457, ARP, Tier IV, IRA, 401(k), etc.)

1. Retirement account balance on December 31, 2018..... \$ \_\_\_\_\_
2. Distribution period from the table below for your age on your birthday in 2019 ..... \_\_\_\_\_
3. Line 1 divided by the number entered on line 2. This is your required minimum distribution for this year from this retirement account..... \$ \_\_\_\_\_
4. Repeat steps 1 through 3 for each of your retirements accounts.

### Uniform Lifetime Table

Age	Distribution Period	Age	Distribution Period	Age	Distribution Period	Age	Distribution Period
70	27.4	82	17.1	94	9.1	106	4.2
71	26.5	83	16.3	95	8.6	107	3.9
72	25.6	84	15.5	96	8.1	108	3.7
73	24.7	85	14.8	97	7.6	109	3.4
74	23.8	86	14.1	98	7.1	110	3.1
75	22.9	87	13.4	99	6.7	111	2.9
76	22.0	88	12.7	100	6.3	112	2.6
77	21.2	89	12.0	101	5.9	113	2.4
78	20.3	90	11.4	102	5.5	114	2.1
79	19.5	91	10.8	103	5.2	115 and over	1.9
80	18.7	92	10.2	104	4.9		
81	17.9	93	9.6	105	4.5		

<sup>1</sup>Generally, your marital status is determined as of January 1 of each year. If your spouse is the beneficiary of your retirement account on January 1, he or she remains a beneficiary only for purposes of calculating the required minimum distribution for that retirement account even if you get divorced or your spouse dies during the year.

If your spouse is the sole beneficiary and more than 10 years younger than you, you can calculate your RMD using the Joint Life Expectancy Table. More information on the Joint Life Expectancy Table can be found on [irs.gov](http://irs.gov), or you can calculate your RMD using the RMD calculator on [ctdcp.com](http://ctdcp.com).

*Questions?*

Contact Prudential Retirement® at **844-505-SAVE (844-505-7283)**.



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