

REQUIRED MINIMUM DISTRIBUTIONS AND REQUIRED MINIMUM BENEFICIARY DISTRIBUTIONS

ANSWERS TO SOME FREQUENTLY ASKED QUESTIONS

1. What is Required Minimum Distribution (RMD)?

An RMD is a distribution of funds you, as an IRA participant, must take beginning the year in which you reach age 70½. Because the purpose of an IRA is to provide funds for retirement, Congress mandated this requirement. The Internal Revenue Service has developed certain rules and regulations to implement the “minimum withdrawal mandate.”

2. What is Required Minimum Beneficiary Distribution (RMBD)?

An RMBD is a distribution of funds that beneficiaries of deceased IRA participants must take beginning, in general, in the year following the death of the participant. Certain exceptions apply to spouses who are the sole beneficiaries of IRA accounts, and to entity beneficiaries, concerning the timing of these required distributions. As with regular RMDs, Congress mandated that after the death of an IRA participant, beneficiaries must begin to withdraw at least a minimum amount.

3. Do the RMD and RMBD requirements apply to all IRAs?

The RMD requirements apply to traditional, SEP, SARSEP and SIMPLE IRAs. They do not apply to Roth IRAs. However, the RMBD requirements apply to all types of IRAs, including Roth IRAs.

4. When must RMD and RMBD withdrawals begin?

The first RMD does not have to be withdrawn until April 1 of the year after you reach age 70½. April 1 is known as the Required Beginning Date (RBD). However, if you postpone taking the first year's RMD until the following April, you will be required to take two distributions that year; one to meet the RMD obligation for the year of attainment of age 70½ and the other to meet the RMD obligation for that following year.

As a beneficiary of an IRA account, the amount you must withdraw and when you must do it depends on a number of factors, including whether the participant died before or after the RBD, whether you are the spouse of the deceased participant and named as the sole beneficiary, or whether the beneficiary is an individual or an entity. In general, RMBD withdrawals must begin the year after the death of the participant and be taken each year thereafter. Certain exceptions apply if the participant died before his or her RBD, and either the spouse is the sole beneficiary of the IRA or an entity (other than a qualifying trust) is designated as the beneficiary of the IRA. In the case of a spouse designated as the sole beneficiary of the deceased's IRA, the spouse may postpone taking the first RMBD until December 31 of the year following the death of the participant or December 31 of the year the participant would have attained age 70½ had he

or she lived, whichever is later. An entity (other than a qualifying trust) designated as the sole beneficiary of an IRA when the participant has died prior to his or her RBD is treated differently. In such cases, RMBDs do not have to be issued annually. Instead, it is required that the entire balance of the IRA be fully distributed by December 31 of the fifth anniversary year of the death of the participant.

5. What is the deadline for RMD and RMBD withdrawals each year?

Excluding the first distribution year, when an RMD may be postponed until April 1 of the following year, RMDs must be taken by no later than December 31 each year. RMBDs must also be withdrawn by December 31 each year. There are no exceptions.

6. If more than the minimum RMD or RMBD is withdrawn, can the excess amount be applied toward a future year RMD or RMBD?

No; amounts withdrawn in excess of the minimum amount for the year cannot be applied toward future RMDs or RMBDs.

7. Is an IRA custodian required to calculate RMD or RMBD amounts for IRA account holders?

IRA custodians and trustees are required to provide RMD calculation information to participants who are age 70½ or older, but are not required to provide any RMBD information to beneficiaries. Raymond James & Associates has incorporated the RMD calculation information on the enclosed Year-End Summary Statement. Raymond James has also chosen to include some RMBD information for beneficiaries on this statement. Note that a Raymond James Distribution Request Form must be completed and submitted to request an RMD or RMBD distribution unless your account has a standing withholding election. Please contact your financial advisor to request a distribution or for more information.

8. How are RMD amounts actually calculated each year?

Both RMDs and RMBDs are calculated by dividing the preceding December 31 IRA account balance by the applicable life expectancy multiple. Note that a first-year RMD amount distributed after December 31 cannot be used as an adjustment to the preceding December 31 account balance.

9. Does a 12/31 year-end balance ever have to be adjusted for purposes of calculating an RMD or RMBD?

Yes, December 31 year-end balances need to be adjusted in the following circumstances.

When a prior year conversion to a Roth IRA is fully or partially recharacterized back to a traditional SEP or SIMPLE IRA in the current year, the recharacterized amount must be added back to the December 31 prior year-end balance.

The information contained herein has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. For specific tax advice, please consult your tax advisor.

When an annuity is held as a position in an IRA, the market value of the annuity as of December 31 of the year must be adjusted for the actuarial value of certain "fringe" benefits that will be realized at some time in the future, as death benefits, principal guarantees, etc. Any actuarial adjustment made to the December 31 market value of an annuity is shown on the tax summary statement that is sent to each participant the following January. Generally, each annuity company calculates the adjustment amount and new market value and provides these to Raymond James as applicable.

When a spouse who is the sole beneficiary of a deceased participant's IRA elects to treat the participant's IRA as his or her own in the year following the participant's death or in any later year, and the spouse is or will be 70½ or older in that year, the spouse must add the prior year December 31 balance of the deceased participant's IRA to the prior December 31 year-end balance, if any, of his or her IRA (the IRA that received the treat as own transfer of funds) for purposes of calculating the RMD for that year.

10. For RMDs, how is the applicable life expectancy multiple determined each year?

The applicable life expectancy multiple is determined from either the Uniform Table or the Joint Life Expectancy Table and is based on the age of the participant in the year of the calculation. Use of the included Uniform Table for calculating RMDs is required unless a participant's spouse is the sole beneficiary of the IRA and the spouse is more than 10 years younger than the participant. In this case, the Joint Life Expectancy Table is used to determine the applicable life expectancy multiple.

11. How do the Uniform and Joint Life Expectancy Tables work?

Under the Uniform Table, the applicable life expectancy multiple is the multiple that corresponds to the participant's age alone. For the Joint Life Expectancy Table, the applicable life expectancy multiple is the multiple that corresponds to the joint life expectancies of the participant and his or her spouse using the attained ages of both spouses in the year of the calculation. The multiple is found at the intersection of the spouses' ages in the table on the back page.

12. For RMBDs, how is the applicable life expectancy multiple determined each year?

In general, when a beneficiary is an individual who is not the surviving spouse or who is the spouse but is named in addition to other beneficiaries, the applicable life expectancy multiple in the first distribution year (the year following death) is taken from the Single Life Table based on the beneficiary's age in that year. For each year thereafter, the applicable life expectancy is determined by subtracting one (1) from the prior year's life expectancy multiple. In other words, the Single Life Expectancy Table is not referred to again in this case. (This assumes the deceased participant's account has been subdivided into separate Beneficiary IRAs by December 31 of the year following death if there are multiple beneficiaries. If there are multiple beneficiaries and the deceased participant's account has not been subdivided into separate Beneficiary IRA accounts by this date, the life expectancy of the oldest beneficiary must be used for all the beneficiaries of the account and it is figured in the same manner as above.)

If the sole beneficiary of the account is the deceased participant's surviving spouse, the applicable life expectancy multiple is taken from the Single Life Table each year based on the spouse's age in that year up to the year of the spouse's death. Upon the death of the surviving spouse beneficiary, the applicable life expectancy multiple to be used by the successor beneficiary is taken from the Single Life Table and is based on the spouse beneficiary's age in the year of death. This multiple is then reduced by one (1) for each year that passes thereafter. Different rules apply if an entity other than a qualifying trust is the beneficiary. A spouse beneficiary may also have the option to roll over the participant's IRA or treat it as his or her own rather than maintaining the IRA in a beneficiary status. The spouse's circumstances should be considered to determine the most appropriate course of action.

13. Do RMDs and RMBDs have to be taken from each IRA or each Beneficiary IRA a participant or beneficiary may have?

No; if a participant has more than one IRA, he or she may take the RMD amount from any one of the IRAs, provided the RMD amount is separately calculated for each IRA account held. Note that the RMD amount indicated on the enclosed Year-End Summary Statement applies to this IRA account only, and a separate statement will be received for any other IRAs held at Raymond James & Associates as custodian. Beneficiaries who have more than one Beneficiary IRA may also take the RMBD amount from any other Beneficiary IRA, provided each Beneficiary IRA is from the same deceased participant and the RMBD amounts are separately calculated for each Beneficiary IRA.

14. Do IRA custodians and trustees report RMD amounts to the IRS?

IRA custodians and trustees must report if a participant is required to take an RMD and the RMD amount to the IRS on Form 5498.

15. What happens if the entire RMD or RMBD amount is not withdrawn for the year?

If the entire amount of an RMD or RMBD in any year is not withdrawn, an excise tax equal to 50% of the amount of the deficiency will apply. The IRS can waive part or all of this tax if you can show that any shortfall amount of distributions was due to reasonable error and you are taking reasonable steps to remedy the shortfall. See IRS Form 5329 for additional information.

16. Where can I obtain additional information about RMD requirements?

Additional written information can be obtained by referring to either IRS Publication 590-B or the Disclosure Statement portion of your IRA Agreement. Participants and beneficiaries are also encouraged to consult with their financial advisors and/or tax advisors for additional information about RMDs and RMBDs. IRS Publication 590-B can be obtained or ordered from any IRS Service Center. It can also be viewed on the internet by accessing www.irs.gov and search for Publication 590-B.

SINGLE LIFE EXPECTANCY TABLE*

Age	Multiple	Age	Multiple	Age	Multiple	Age	Multiple	Age	Multiple
1	81.6	18	65.0	35	48.5	52	32.3	69	17.8
2	80.6	19	64.0	36	47.5	53	31.4	70	17.0
3	79.7	20	63.0	37	46.5	54	30.5	71	16.3
4	78.7	21	62.1	38	45.6	55	29.6	72	15.5
5	77.7	22	61.1	39	44.6	56	28.7	73	14.8
6	76.7	23	60.1	40	43.6	57	27.9	74	14.1
7	75.8	24	59.1	41	42.7	58	27.0	75	13.4
8	74.8	25	58.2	42	41.7	59	26.1	76	12.7
9	73.8	26	57.2	43	40.7	60	25.2	77	12.1
10	72.8	27	56.2	44	39.8	61	24.4	78	11.4
11	71.8	28	55.3	45	38.8	62	23.5	79	10.8
12	70.8	29	54.3	46	37.9	63	22.7	80	10.2
13	69.9	30	53.3	47	37.0	64	21.8	81	9.7
14	68.9	31	52.4	48	36.0	65	21.0	82	9.1
15	67.9	32	51.4	49	35.1	66	20.2	83	8.6
16	66.9	33	50.4	50	34.2	67	19.4	84	8.1
17	66.0	34	49.4	51	33.3	68	18.6	85	7.6

*Please contact your financial advisor if your age and multiple do not appear in the table above.

UNIFORM LIFE EXPECTANCY TABLE

Age	Multiple	Age	Multiple
70	27.4	87	13.4
71	26.5	88	12.7
72	25.6	89	12.0
73	24.7	90	11.4
74	23.8	91	10.8
75	22.9	92	10.2
76	22.0	93	9.6
77	21.2	94	9.1
78	20.3	95	8.6
79	19.5	96	8.1
80	18.7	97	7.6
81	17.9	98	7.1
82	17.1	99	6.7
83	16.3	100	6.3
84	15.5	101	5.9
85	14.8		
86	14.1		

Information pertaining to the Required Minimum Distribution and Required Minimum Beneficiary Distribution requirements is being provided as guidance to clients who are subject to these requirements; it does not constitute the rendering of legal advice. It is recommended that clients obtain the assist-

ance of a professional tax or retirement plan consultant or attorney to ensure both their compliance with these Internal Revenue Service minimum distribution requirements and their understanding of the effect of these requirements on their particular financial circumstances.

JOINT LIFE EXPECTANCY TABLE

Ages	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
55	31.1	30.9	30.8	30.6	30.5	30.4	30.3	30.3	30.2	30.1	30.1	30.0	30.0	29.9	29.9	29.9	29.8	29.8	29.8	29.8	29.8
56	30.3	30.1	30.0	29.8	29.7	29.6	29.5	29.4	29.3	29.3	29.2	29.2	29.1	29.1	29.0	29.0	29.0	28.9	28.9	28.9	28.9
57	29.5	29.4	29.2	29.1	28.9	28.8	28.7	28.6	28.5	28.4	28.4	28.3	28.3	28.2	28.2	28.1	28.1	28.1	28.0	28.0	28.0
58	28.8	28.6	28.4	28.3	28.1	28.0	27.9	27.8	27.7	27.6	27.5	27.5	27.4	27.4	27.3	27.3	27.2	27.2	27.2	27.2	27.1
59	28.1	27.9	27.7	27.5	27.4	27.2	27.1	27.0	26.9	26.8	26.7	26.6	26.6	26.5	26.5	26.4	26.4	26.4	26.3	26.3	26.3
60	27.4	27.2	27.0	26.8	26.6	26.5	26.3	26.2	26.1	26.0	25.9	25.8	25.8	25.7	25.6	25.5	25.5	25.5	25.5	25.4	25.4
61	26.7	26.5	26.3	26.1	25.9	25.7	25.6	25.4	25.3	25.2	25.1	25.0	24.9	24.9	24.8	24.8	24.7	24.7	24.6	24.6	24.6
62	26.1	25.8	25.6	25.4	25.2	25.0	24.8	24.7	24.6	24.4	24.3	24.2	24.1	24.1	24.0	23.9	23.9	23.8	23.8	23.8	23.7
63	25.4	25.2	24.9	24.7	24.5	24.3	24.1	23.9	23.8	23.7	23.6	23.4	23.4	23.3	23.2	23.1	23.1	23.0	23.0	22.9	22.9
64	24.8	24.5	24.3	24.0	23.8	23.6	23.4	23.2	23.1	22.9	22.8	22.7	22.6	22.5	22.4	22.3	22.3	22.2	22.2	22.1	22.1
65	24.3	23.9	23.7	23.4	23.1	22.9	22.7	22.5	22.4	22.2	22.1	21.9	21.8	21.7	21.6	21.6	21.5	21.4	21.4	21.3	21.3
66	23.7	23.4	23.1	22.8	22.5	22.3	22.0	21.8	21.7	21.5	21.3	21.2	21.1	21.0	20.9	20.8	20.7	20.7	20.6	20.5	20.5
67	23.2	22.8	22.5	22.2	21.9	21.6	21.4	21.2	21.0	20.8	20.6	20.5	20.4	20.2	20.1	20.1	20.0	19.9	19.8	19.8	19.7
68	22.7	22.3	22.0	21.6	21.3	21.0	20.8	20.6	20.3	20.1	20.0	19.8	19.7	19.5	19.4	19.3	19.2	19.2	19.1	19.0	19.0
69	22.2	21.8	21.4	21.1	20.8	20.5	20.2	19.9	19.7	19.5	19.3	19.1	19.0	18.8	18.7	18.6	18.5	18.4	18.3	18.3	18.2
70	21.8	21.3	20.9	20.6	20.2	19.9	19.6	19.4	19.1	18.9	18.7	18.5	18.3	18.2	18.0	17.9	17.8	17.7	17.6	17.6	17.5
71	21.3	20.9	20.5	20.1	19.7	19.4	19.1	18.8	18.5	18.3	18.1	17.9	17.7	17.5	17.4	17.3	17.1	17.0	16.9	16.9	16.8
72	20.9	20.5	20.0	19.6	19.3	18.9	18.6	18.3	18.0	17.7	17.5	17.3	17.1	16.9	16.7	16.6	16.5	16.4	16.3	16.2	16.1
73	20.6	20.1	19.6	19.2	18.8	18.4	18.1	17.8	17.5	17.2	16.9	16.7	16.5	16.3	16.1	16.0	15.8	15.7	15.6	15.5	15.4
74	20.2	19.7	19.3	18.8	18.4	18.0	17.6	17.3	17.0	16.7	16.4	16.2	15.9	15.7	15.5	15.4	15.2	15.1	15.0	14.9	14.8
75	19.9	19.4	18.9	18.4	18.0	17.6	17.2	16.8	16.5	16.2	15.9	15.6	15.4	15.2	15.0	14.8	14.6	14.5	14.4	14.3	14.2
76	19.6	19.1	18.6	18.1	17.6	17.2	16.8	16.4	16.0	15.7	15.4	15.1	14.9	14.7	14.4	14.3	14.1	13.9	13.8	13.7	13.6
77	19.4	18.8	18.3	17.8	17.3	16.8	16.4	16.0	15.6	15.3	15.0	14.7	14.4	14.2	13.9	13.7	13.5	13.4	13.2	13.1	13.0
78	19.1	18.5	18.0	17.5	17.0	16.5	16.0	15.6	15.2	14.9	14.5	14.2	13.9	13.7	13.4	13.2	13.0	12.9	12.7	12.6	12.4
79	18.9	18.3	17.7	17.2	16.7	16.2	15.7	15.3	14.9	14.5	14.1	13.8	13.5	13.2	13.0	12.8	12.5	12.4	12.2	12.0	11.9
80	18.7	18.1	17.5	16.9	16.4	15.9	15.4	15.0	14.5	14.1	13.8	13.4	13.1	12.8	12.6	12.3	12.1	11.9	11.7	11.5	11.4
81	18.5	17.9	17.3	16.7	16.2	15.6	15.1	14.7	14.2	13.8	13.4	13.1	12.7	12.4	12.2	11.9	11.7	11.4	11.3	11.1	10.9
82	18.3	17.7	17.1	16.5	15.9	15.4	14.9	14.4	13.9	13.5	13.1	12.7	12.4	12.1	11.8	11.5	11.3	11.0	10.8	10.6	10.5
83	18.2	17.5	16.9	16.3	15.7	15.2	14.7	14.2	13.7	13.2	12.8	12.4	12.1	11.7	11.4	11.1	10.9	10.6	10.4	10.2	10.1
84	18.0	17.4	16.7	16.1	15.5	15.0	14.4	13.9	13.4	13.0	12.6	12.2	11.8	11.4	11.1	10.8	10.5	10.3	10.1	9.9	9.7
85	17.9	17.3	16.6	16.0	15.4	14.8	14.3	13.7	13.2	12.8	12.3	11.9	11.5	11.1	10.8	10.5	10.2	9.9	9.7	9.5	9.3
86	17.8	17.1	16.5	15.8	15.2	14.6	14.1	13.5	13.0	12.5	12.1	11.7	11.3	10.9	10.5	10.2	9.9	9.6	9.4	9.2	9.0
87	17.7	17.0	16.4	15.7	15.1	14.5	13.9	13.4	12.9	12.4	11.9	11.4	11.0	10.6	10.3	9.9	9.6	9.4	9.1	8.9	8.6
88	17.6	16.9	16.3	15.6	15.0	14.4	13.8	13.2	12.7	12.2	11.7	11.3	10.8	10.4	10.1	9.7	9.4	9.1	8.8	8.6	8.3
89	17.6	16.9	16.2	15.5	14.9	14.3	13.7	13.1	12.6	12.0	11.5	11.1	10.6	10.2	9.9	9.5	9.2	8.9	8.6	8.3	8.1
90	17.5	16.8	16.1	15.4	14.8	14.2	13.6	13.0	12.4	11.9	11.4	10.9	10.5	10.1	9.7	9.3	9.0	8.6	8.3	8.1	7.8

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