



Required Minimum Distributions:

What is a Required Minimum Distribution?

A required minimum distribution is the amount that owners of tax-deferred retirement accounts must begin withdrawing from their accounts by April 1 following the year they reach age 70 ½ .

RMD rules apply to tax-deferred retirement accounts including:

- Traditional IRAs
- Rollover IRAs
- SIMPLE IRAs
- SEP IRAs
- Most small business accounts (Keoghs)
- Most 401(k), 403(b) and 457(b) plans



Roth IRAs are not subject to RMDs.

Do I have to take a RMD if I'm still working?

Yes, you will still be required to take a distribution from your IRA.

In regards to an employer-sponsored retirement plan, you may qualify for an exception if you meet the following requirements:

- You're still working and you have an employer-sponsored retirement account with the business you work for
- You do not own more than 5% of the company you work for

If you meet these criteria, you can postpone RMDs from employer-sponsored retirement accounts until April 1 of the year after you retire. Please note this exception only works for the company you currently work for and does not apply to other retirement accounts you may have with companies you no longer work for.

How do I know how much to take?

MyRoboAdviser™ has partnered with Betterment to provide technology and custodial support for MyRoboAdviser™ clients. Betterment calculates the amount of your RMD. The amount can be seen on your tax statement at the end of January based on the balance of your MyRoboAdviser™ account.

If you have multiple accounts that require RMDs

If you have multiple different tax-deferred retirement accounts you may be able to take your entire RMD from a single account, depending on the account type.

My Robo Adviser™ Required Minimum Distributions

- **Traditional IRAs, SEP IRAs, Rollover IRAs, and SIMPLE IRAs:** You must calculate your RMD for each account individually but you are allowed to withdraw the total RMD amount from any of the accounts.
- **403(b) plans:** You must calculate your RMD for each account individually but you are allowed to withdraw the total RMD amount from any of your 403(b) accounts.
- **401(k) & 457(b) plans:** You must calculate your RMD for each account separately and take distributions individually

MyRoboAdviser™ does not currently advise 403(b) plans, 401(k) plans, 457(b) plans, SIMPLE IRAs and there are restrictions to SEP IRAs.

Any distribution from an account that require a RMD will count toward that year’s RMD. Amounts taken in excess of your RMD in a year do not count toward future RMDs.

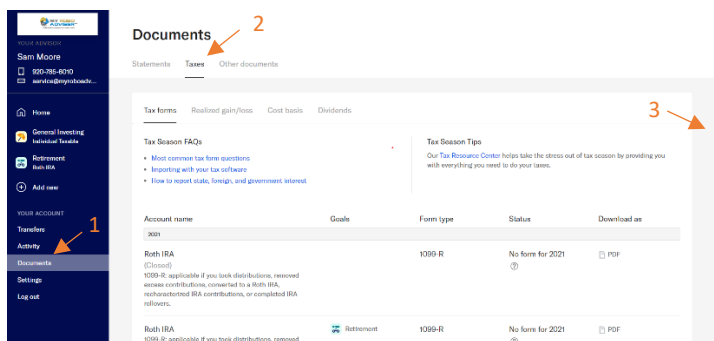
Deadline for taking an RMD and penalty for missing it?

After you take your first RMD, your deadline for taking it is December 31 each year.

The penalty for missing a RMD is 50% of the RMD that was not taken. Plus, you will have to pay income taxes based on your current tax rate on the amount withdrawn. For example, if your RMD is \$10,000 for 2019 and you only take \$5,000. You will pay a 50% penalty, \$2,500 on the \$5,000 you did not withdraw. If you miss the deadline due to a reasonable error, you may be able to request a waiver by filing IRS Form 5329.

How to take your RMD at MyRoboAdviser™:

Betterment has made it extremely simple and easy to take your RMD from your MyRoboAdviser™ account. Step one is to check how much you need to withdraw for your RMD. This can be found by clicking “documents” in the lower left of your computer screen. Then click “tax forms” on the top menu, choose form 5498. Scroll down on form 5498 until you see your “Required Minimum Distribution” amount.



Once you know how much you need to take, you simply need to click “transfer or rollover”, select the appropriate account type, you can’t take an RMD from a taxable or Roth account, and go through the steps to complete your withdrawal. Betterment will walk you through the few easy steps that are necessary to complete your RMD. Your funds should show up in 4-5 business days after you complete your RMD. Also remember that you can always take more than the RMD amount. The RMD is simply the amount you are required to take.

Have questions?

If you have any questions about holdings in your account or one of our models, or perhaps have another question about our services, you can contact us directly at **920.785.6012** or email us at support@myroboadviser.com. MyRoboAdviser™ has partnered with Betterment for Advisors as our technology solution to provide our services to our clients. Betterment maintains a support line you can also call for help with navigation, linking your accounts or other site functionality. You can call the Betterment for Advisors support line at **800.400.1571**.

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