

Final Retirement Plan Uniform Distribution Table (2002)

On April 17, 2002, the Internal Revenue Service (IRS) issued final regulations with respect to minimum required distributions from Individual Retirement Accounts (IRAs) and tax-deferred employer retirement savings plans such as 401(k)s, 403(b)s, and Section 457 plans. The rules are officially effective as of January 1, 2003, but can also be used for 2002 distributions.

The Uniform Distribution table, below, can be used by most taxpayers. The only exception is the so-called "spousal exception" for married couples where one spouse is more than 10 years younger than the other is. These couples will use a joint life expectancy table, which results in a longer life expectancy and a lower required distribution.

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

To determine your minimum required Individual Retirement Account (IRA) and/or employer retirement plan distribution, Step One is to add up the total amount in (each of) your retirement account(s) on December 31 of the previous year. Step Two is to divide the amount in each account by the appropriate figure in the Uniform Distribution Table based on the account owner's age. For example, the divisor for someone who turns 70 in the first half of the year is 27.4. If that person has \$100,000 in an IRA or other retirement plan, he or she would divide \$100,000 by 27.4 to determine the required minimum withdrawal amount ($\$100,000 \div 27.4 = \$3,650$) for that account.

Actual cash withdrawals can be taken from any number of IRA accounts that you hold as long as the total of all withdrawals meets the minimum required amount. Of course, you can always withdraw more than the minimum required distribution any time that you choose, without penalty, once you reach age 59½. However, if you withdraw less than you are required to after age 70½, the IRS assesses a harsh penalty equal to half of what you should have withdrawn, but didn't. Beginning in 2004, custodians of retirement accounts will have to report to the IRS accounts that are subject to required minimum distributions.