

Age of the Participant	Distribution Period	Applicable Percentage	Designated Beneficiary	Applicable Distribution Period at RBD	Applicable Distribution Period
70	27.4	3.65%	P's Spouse (not P's sole DB)	Table	1
71	26.5	3.77%	P's sole DB is P's Spouse	Table, or, if S is more than 10 years younger than P, J&S redetermined each year (if Spouse no longer P's sole DB at end of a calendar year, the Table must be used)	4
72	25.6	3.91%			
73	24.7	4.05%	No DB	Table	7
74	23.8	4.20%			
75	22.9	4.37%			
76	22.0	4.54%			
77	21.2	4.72%			
78	20.3	4.93%			
	19.5	5.13%			
	18.7	5.35%			
	17.9	5.59%			
	17.1	5.85%			
	16.3	6.13%			
	15.5	6.45%			
	14.8				
	14.1				

Working with the Minimum Distribution Rules

by Louis A. Mezzullo

Many of our clients—and most of us—are participants in one or more qualified retirement plans (e.g., profit-sharing plans, 401(k) plans) or are account holders of one or more individual retirement accounts (IRAs). For those of us over age 55, we are approaching the time when we will begin taking distributions from such retirement arrangements. This article discusses the minimum distribution rules, which are contained in final Treasury regulations issued in April 2002 requiring distributions to begin at the participant's required beginning date (RBD).

Section 401(a)(9) of the Internal Revenue Code requires that qualified retirement plan benefits, IRAs, and certain other tax-favored investments be paid to participants and beneficiaries over a period of time to prevent the indefinite deferral of

the receipt of taxable income. A 50% excise tax is imposed on the amount of a required minimum distribution that is not made during a year in which such a distribution is required. Although these rules have been part of the Internal Revenue Code since the early 1980s, final regulations were only issued on April 17, 2002. Earlier proposed regulations were issued in 1987. These were amended in 1997 and were replaced by new proposed regulations in 2001. Although the final regulations are a vast improvement over the 1987 proposed regulations and correct some of the problems under the 2001 proposed regulations, obstacles remain for estate planners. (Note: The rules for defined benefit plans and annuity contracts were issued in the form of temporary and proposed regulations and are not discussed in this article.)

Effective Dates

The final regulations apply for required minimum distributions for calendar years beginning after 2002.¹ For required minimum distributions for calendar year 2002, participants may rely on the final regulations, the 2001 proposed regulations or the 1987 proposed regulations.² A deceased participant's beneficiaries must use the final regulations for determining their required minimum distributions even though the participant died prior to 2003.³ Although it is not stated in the final regulations, a beneficiary presumably should be able to use the final regulations, the 2001 proposed regulations or the 1987 proposed regulations for determining the required minimum distribution in 2002.

While the final regulations do not change the manner of determining the beneficiary

entitled to receive the benefit, which would be determined under the deceased participant's beneficiary designation or under the plan document—or in some cases, under state law—the applicable distribution period may be changed as a result of the new rules. In other words, the amount of the required minimum distributions will be determined under the final regulations, which may mean smaller minimum distributions are required in 2002 and thereafter. The applicable distribution period is divided into the value of the plan benefit or IRA as of the valuation date in the preceding year to determine the amount of the required minimum distribution for the current year.

Life Expectancy Tables

The final regulations provide new life expectancy tables, which were mandated by the Economic Growth and Tax Relief Reconciliation Act of 2001. There are three tables: a single life expectancy table, a joint and last survivor expectancy table and a uniform lifetime table.⁴ These new tables are based on the 2000 individual annuity mortality table, projected to 2003, and provide for longer life expectancies.⁵ For example, under the old table the single life expectancy of a person age 70 was 16 years; under the new table the single life expectancy of a person age 70 is 17 years. The uniform lifetime table is based on the age of a participant and a designated beneficiary ten years younger than the participant, redetermined each year beginning with the year in which the participant reaches age 70½, or, in some cases, retires. The uniform lifetime table is used to calculate required minimum distributions when the participant reaches the required beginning date.⁶ However, if the spouse is the sole beneficiary and is more than ten years younger than the participant, the longer joint and last survivor expectancy of the participant and spouse is used.⁷

Required Beginning Date

The final regulations do not change the definition of the required beginning date. ("RBD"). The RBD for all account holders of IRAs and for participants in qualified retirement plans who own more than 5% of the sponsoring employer is April 1 following the year in which the participant reaches age 70½.⁸ For a participant in a qualified retirement plan who does not

own more than 5% of the sponsoring employer, the RBD is April 1 following the later of the calendar year in which the participant reaches age 70½ or retires.⁹ However, under the final regulations, a qualified retirement plan may adopt April 1 following the year in which the participant reaches age 70½ as the uniform RBD for all participants.¹⁰

Determination of the Designated Beneficiary

The designated beneficiary of a deceased participant is determined on September 30 of the calendar year following the calendar year of the participant's death (the "beneficiary determination date").¹¹ However, in order to be a designated beneficiary, the individual must be someone either named by the participant in a beneficiary designation form or under the plan as of the participant's death.¹² Consequently, a person who acquires the right to receive the plan benefit or IRA under state law, for instance, as a beneficiary of the decedent's estate or under the state's anti-lapse statute, will not be treated as a designated beneficiary for purposes of the required minimum distribution rules.¹³ In such a case, if the participant died before the RBD, the plan benefit or IRA must be paid out by the end of the fifth year following the year of the participant's death.¹⁴ If the

who is entitled to a portion of the participant's benefit only if another beneficiary dies before the entire benefit has been distributed.¹⁶ For example, if one beneficiary has the right to income from an account owner's IRA during that beneficiary's life, and another beneficiary has the right to the principal after the death of the income beneficiary (with any portion of the principal distributed during the life of the income beneficiary to be held in trust until that beneficiary's death), both beneficiaries must be taken into account in determining the beneficiary with the shortest life expectancy and whether only individuals are beneficiaries.¹⁷ If there is more than one individual beneficiary as of the beneficiary determination date, the oldest beneficiary will be treated as the designated beneficiary.¹⁸ If there is more than one beneficiary as of the beneficiary determination date and one of the beneficiaries is not an individual, the participant will be treated as not having a designated beneficiary.¹⁹

There are three ways that beneficiaries can be eliminated to determine the identity of the designated beneficiary as of the beneficiary determination date. First, a beneficiary as of the date of the participant's death may disclaim his or her right to the benefit pursuant to a qualified disclaimer under Section 2518 of the Internal

... in order to be a designated beneficiary, the individual must be someone either named by the participant in a beneficiary designation form or under the plan as of the participant's death.

participant died after the RBD, the remaining plan benefit or IRA must be paid out over the participant's remaining life expectancy.¹⁵

All beneficiaries who were beneficiaries as of the date of the participant's death and remain beneficiaries as of the beneficiary determination date must be accounted for to determine the oldest beneficiary and whether there is a beneficiary who is not an individual—except for a beneficiary

Revenue Code.²⁰ Second, a beneficiary may be paid his or her portion of the plan benefit or IRA prior to the beneficiary determination date.²¹ Third, a separate account may be established for different beneficiaries, so that each beneficiary will be treated as a designated beneficiary with respect to his or her account.²² In addition, if a separate account is established for a beneficiary who is not an individual, beneficiaries of other separate accounts will be treated as designated beneficiaries,

despite the fact that the beneficiary of one of the separate accounts is not an individual.²³

If a beneficiary as of the participant's date of death dies prior to the beneficiary determination date without disclaiming the benefit, he or she will be treated nonetheless as a beneficiary as of September 30 of the calendar year following the participant's death to determine the participant's designated beneficiary.²⁴ It is unclear whether the personal representative of a deceased beneficiary can avoid this result by disclaiming the deceased beneficiary's right to receive the plan benefit or IRA, assuming the requirements for a qualified disclaimer are met. Once a person is identified as the designated beneficiary, the death of that individual after the beneficiary determination date will not change the applicable distribution period, regardless of who becomes entitled to receive the plan benefit or IRA.²⁵

Required Distributions if the Participant Dies Before the RBD

Under the 1987 proposed regulations, the default rule for paying out a plan benefit or IRA to a beneficiary of a deceased participant who died before the RBD was the five-year rule unless the beneficiary was the participant's spouse. Under the five-year rule, the entire plan benefit or IRA had to be paid to the beneficiary by the end of the fifth year following the year of the participant's death. Under the final regulations, the default rule in every case in which there is a designated beneficiary is the life expectancy rule, which permits the benefit or IRA to be paid out over the beneficiary's life expectancy as long as the payments commence by the end of the year following the year of the participant's death.²⁶

Beneficiaries currently subject to the 5-year rule under the 1987 proposed regulations may, if permitted under the plan, switch to the life expectancy rule, provided all required minimum distributions that would have been received under the life expectancy rule before 2004 are distributed by the earlier of December 31, 2003, or the end of the five-year period immediately following the year of the participant's death.²⁷ In addition, if a sole beneficiary of a deceased participant fails to

take required minimum distributions during the five-year period beginning with the year after the participant's death, the 50% excise tax will be waived if the beneficiary receives the entire plan benefit or IRA by the end of the fifth year following the year of the participant's death.²⁸

If the spouse is the sole beneficiary of the participant, the applicable distribution period during the spouse's lifetime is the spouse's life expectancy redetermined each year.²⁹ After the spouse dies, the applicable distribution period is the spouse's life expectancy in the year of his or her death, reduced by one year for each year that elapses thereafter.³⁰ If the participant dies before his or her RBD, and the surviving spouse is the sole beneficiary of the participant's benefit or IRA (or of a separate account of either), the spouse can wait until the later of the year in which the participant would have reached age 70½ or the year following the year of the participant's death to begin receiving required minimum distributions.³¹

Distributions if the Participant Dies After the RBD

If the participant dies after the RBD and has a designated beneficiary, the applicable distribution period under the final regulations is the *longer* of the life expectancy of the participant's designated beneficiary, determined in the year following the participant's death, or the remaining life expectancy of the participant, determined in the year of the participant's death—in each case reduced by one for each year that elapses thereafter.³² If the spouse is the sole beneficiary of the participant, the applicable distribution period during the spouse's lifetime is the spouse's life expectancy redetermined each year.³³ After the spouse dies, the applicable distribution period is the spouse's remaining life expectancy in the year of his or her death, reduced by one year for each year that elapses thereafter.³⁴

Trust as Beneficiary

While a trust may not be a designated beneficiary, an individual beneficiary of a trust that is named as a beneficiary of a deceased participant's plan benefit or IRA may be treated as the designated beneficiary, if the trust satisfies four require-

ments.³⁵ The first three requirements, in most cases, must be satisfied by the beneficiary determination dates: The trust must be a valid trust under state law or would be a valid trust if it had a corpus; the trust is irrevocable (or, if the participant is still alive, will become irrevocable at the time of the participant's death); and the beneficiaries of the trust entitled to the plan benefit or IRA are identifiable. Under the fourth requirement, which generally must be satisfied by October 31 of the year following the year of the participant's death, either the trust agreement or a list of the beneficiaries of the trust, including contingent and remainder beneficiaries and the conditions on which such beneficiaries will take, must be furnished to the plan administrator.³⁶ A transition rule permits the documentation to be provided to the plan administrator (or IRA trustee, custodian or issuer) by October 31, 2003, if the requirement has not been previously satisfied.³⁷

If the sole designated beneficiary of the participant is the participant's spouse, the joint and last survivor expectancy of the participant and his spouse may be used in lieu of the uniform lifetime table if the spouse is more than ten years younger than the participant—resulting in a smaller required minimum distribution.³⁸ When a trust is named as the beneficiary, and the spouse is treated as the sole designated beneficiary because all plan or IRA distributions to the trust must be redistributed to the spouse, all four requirements must be met by the trust as of the beginning of any year that the joint and last survivor expectancy is to be used in lieu of the uniform lifetime table.³⁹ Even though a revocable trust that becomes irrevocable may elect to be treated as an estate under Section 645 of the Internal Revenue Code, as long as the trust continues to be treated as a trust under state law, it will not be treated as an estate under the minimum distribution rules.⁴⁰

Separate Accounts

Separate accounts with different beneficiaries under the plan may be established at any time, either before or after the participant's RBD, but they must be established no later than the end of the year following the year of the participant's death.⁴¹ If the separate accounts are established after the beneficiary determination date, the applicable distribution period in that year will be based on the life expectancy of the oldest

beneficiary as of the beneficiary determination date. In the following year, the applicable distribution period for each separate account will be based on the life expectancy of the oldest beneficiary of such account. The separate accounting must allocate all post-death investment gains and losses for the period prior to the establishment of the separate accounts on a pro rata basis in a reasonable and consistent manner among the separate accounts for the different beneficiaries. It must also allocate any post-death distribution to the separate account of the beneficiary receiving that distribution.⁴² Once the separate accounts are established, separate investments may be made for each separate account.⁴³ The separate account rules are not available to beneficiaries of a trust with respect to the trust's interest in the participant's benefit.⁴⁴ Consequently, the beneficiary designation itself should specify each trust that is to be treated as the beneficiary of a separate account.

Election of Surviving Spouse to Treat an Inherited IRA as Spouse's Own IRA

A spouse who is entitled to a plan benefit or IRA may have the plan benefit or IRA transferred to his or her IRA or may treat the deceased participant's IRA as his or her own.⁴⁵ The election may be made at any time after the participant's death, but the required minimum distribution for the year of the participant's death is determined assuming that the participant lived throughout the year.⁴⁶ Consequently, the surviving spouse is required to receive a minimum distribution for the year of the participant's death only to the extent that the amount required was not distributed to the participant before death. If the spouse has already reached his or her RBD, he or she would begin receiving required minimum distributions under the uniform lifetime table in the year following the year of the participant's death.

IRA Reporting of Required Minimum Distributions

Beginning in 2003, a trustee, custodian or issuer of an IRA must report the amount of the required distribution to the IRA owner. Otherwise he or she or must advise the IRA owner that a minimum distribution is

required for the year and offer to calculate the amount of the required minimum distribution upon request, and then, if so requested, calculate the amount and provide it to the IRA owner.⁴⁷ Reporting is not required for beneficiaries or participants of 403(b) deferred annuity plans for employees of public school systems and tax-exempt organizations.⁴⁸ Beginning in 2004, trustees, custodians and issuers of IRAs must identify to the IRS on Form 5498 each IRA for which a minimum distribution is required to be made to an IRA owner. They do not have to report the amount of the required minimum distribution.⁴⁹

Calculation Simplification

For lifetime distributions, the marital status of the participant is determined on January 1 each year.⁵⁰ Therefore, a divorce or death after January 1 is disregarded until the next year, so that if the participant is receiving distributions under the joint and last survivor expectancy of the participant and his or her spouse, he or she will continue to use the joint and last survivor expectancy in the year of divorce or death of the spouse. However, he or she will be required to use the uniform lifetime table beginning in the year after the divorce or death of the spouse. In the case of a divorce, if the participant changes the beneficiary during the year, the uniform lifetime table must be used in the year of divorce according to the IRS.

Any contributions or distributions after December 31 of a calendar year are disregarded in determining the minimum distribution for the following year.⁵¹ For example, if a participant waits until the RBD to receive the first distribution, the amount of the distribution will not reduce the value of the participant's account as of the prior year for determining the required minimum distribution that must be made before the end of the year in which the RBD occurs. If the participant waits until

the RBD to receive his or her first required minimum distribution, he or she will also have to receive another distribution by the end of the year. Also, if the plan sponsor makes a contribution after the end of the year that is allocated as of a date in the preceding year, the amount of the contribution allocated to a participant's account need not be taken into account for purposes of determining the required minimum distribution for the year in which the contribution is actually made.⁵²

Conclusion

The final regulations greatly simplify the determination of the required minimum distribution that a participant or beneficiary must take from a qualified retirement plan, IRA or other retirement arrangement subject to these rules. In every case, the individual will simply determine the percentage of the value of the plan benefit or account balance that must be distributed by referring to the appropriate table. Exhibit D is a guide to this process. The only variable that will affect the table that must be used is the participant's designated beneficiary. Once a participant reaches his or her RBD, he or she will use the percentage determined under the lifetime table unless he or she has designated his or her spouse as the sole designated beneficiary, and the spouse is more than 10 years younger than the participant. In this case, the joint and survivor expectancy of the participant and the spouse will be used. Once the participant dies, the beneficiary usually will use the beneficiary's life expectancy, but in some cases, the participant's life expectancy will be used. The participant should designate both a primary beneficiary and one or more successor beneficiaries, so that proper post-mortem planning can be done to achieve the most beneficial result for the participant's family or loved ones. ☺

Supplemental charts and endnotes are continued on the following pages.



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**EXHIBIT A
UNIFORM LIFETIME TABLE**

Age of the Participant	Distribution Period	Applicable Percentage	Age of the Participant	Distribution Period	Applicable Percentage
70	27.4	3.65%	93	9.6	10.42%
71	26.5	3.77%	94	9.1	10.99%
72	25.6	3.91%	95	8.6	11.63%
73	24.7	4.05%	96	8.1	12.35%
74	23.8	4.20%	97	7.6	13.16%
75	22.9	4.37%	98	7.1	14.08%
76	22.0	4.54%	99	6.7	14.93%
77	21.2	4.72%	100	6.3	15.87%
78	20.3	4.93%	101	5.9	16.95%
79	19.5	5.13%	102	5.5	18.18%
80	18.7	5.35%	103	5.2	19.23%
81	17.9	5.59%	104	4.9	20.41%
82	17.1	5.85%	105	4.5	22.22%
83	16.3	6.13%	106	4.2	23.81%
84	15.5	6.45%	107	3.9	25.64%
85	14.8	6.76%	108	3.7	27.03%
86	14.1	7.09%	109	3.4	29.41%
87	13.4	7.46%	110	3.1	32.26%
88	12.7	7.87%	111	2.9	34.48%
89	12.0	8.33%	112	2.6	38.46%
90	11.4	8.77%	113	2.4	41.67%
91	10.8	9.26%	114	2.1	47.62%
92	10.2	9.80%	115 & older	1.9	52.63%

NOTE: The distribution period is the joint and last survivor expectancy of an individual with an age in the first column and a beneficiary 10 years younger than the participant. The applicable percentage, which is not included in the final regulations, is the percentage, rounded to two decimal places, determined by dividing the distribution period into 100. This is the percentage of a participant's plan benefit or IRA balance that must be distributed by the end of each distribution calendar year, except the distribution for the first distribution calendar year, which can be deferred until April 1 of the following calendar year. However, if the participant's sole designated beneficiary is a spouse who is more than ten years younger than the participant, the applicable distribution period is their joint and last survivor expectancy, determined each year, while both of them are alive. The joint and last survivor expectancy is determined under the Joint and Survivor Table contained in Treas. Reg. § 1.402(a)(9)-9, A-3.

**EXHIBIT B
SINGLE LIFE TABLE**

Age	Multiple	Age	Multiple	Age	Multiple
0	82.4	38	45.6	76	12.7
1	81.6	39	44.6	77	12.1
2	80.6	40	43.6	78	11.4
3	79.7	41	42.7	79	10.8
4	78.7	42	41.7	80	10.2
5	77.7	43	40.7	81	9.7
6	76.7	44	39.8	82	9.1
7	75.8	45	38.8	83	8.6
8	74.8	46	37.9	84	8.1
9	73.8	47	37.0	85	7.6
10	72.8	48	36.0	86	7.1
11	71.8	49	35.1	87	6.7
12	70.8	50	34.2	88	6.3
13	69.9	51	33.3	89	5.9
14	68.9	52	32.3	90	5.5
15	67.9	53	31.4	91	5.2
16	66.9	54	30.5	92	4.9
17	66.0	55	29.6	93	4.6
18	65.0	56	28.7	94	4.3
19	64.0	57	27.9	95	4.1
20	63.0	58	27.0	96	3.8
21	62.1	59	26.1	97	3.6
22	61.1	60	25.2	98	3.4
23	60.1	61	24.4	99	3.1
24	59.1	62	23.5	100	2.9
25	58.2	63	22.7	101	2.7
26	57.2	64	21.8	102	2.5
27	56.2	65	21.0	103	2.3
28	55.3	66	20.2	104	2.1
29	54.3	67	19.4	105	1.9
30	53.3	68	18.6	106	1.7
31	52.4	69	17.8	107	1.5
32	51.4	70	17.0	108	1.4
33	50.4	71	16.3	109	1.2
34	49.4	72	15.5	110	1.1
35	48.5	73	14.8	111 & older	1.0
36	47.5	74	14.1		
37	46.5	75	13.4		

Note: This table is contained in Treas. Reg. § 1.401(a)(9)-9, A-1. Under the minimum distribution rules, this table is used for determining the life expectancy of a participant who dies after the RBD if there is no designated beneficiary by September 30 of the calendar year following the participant's death (or if the designated beneficiary's life expectancy is shorter than the participant's), or the life expectancy of the participant's designated beneficiary after the participant's death (regardless of whether the participant dies before or after the RBD) if there is a designated beneficiary by September 30 of the calendar year following the participant's death (unless the participant dies after the RBD and the participant's life expectancy is longer than the designated beneficiary's life expectancy). See the chart in Exhibit D for when the life expectancy of an individual is determined (or, in the case of a spouse, redetermined each year).

**EXHIBIT C
ABBREVIATED JOINT AND SURVIVOR TABLE**

Age of P	Age of S	J&S EX	Table
70	45	39.4	27.4
70	46	38.6	27.4
70	47	37.7	27.4
70	48	36.8	27.4
70	49	35.9	27.4
71	45	39.4	26.5
71	46	38.5	26.5
71	47	37.6	26.5
71	48	36.7	26.5
71	49	35.9	26.5
72	45	39.3	25.6
72	46	38.4	25.6
72	47	37.5	25.6
72	48	36.6	25.6
72	49	35.8	25.6

Age of P	Age of S	J&S EX	Table
73	45	39.3	24.7
73	46	38.4	24.7
73	47	37.5	24.7
73	48	36.6	24.7
73	49	35.7	24.7
74	45	39.2	23.8
74	46	38.3	23.8
74	47	37.4	23.8
74	48	36.5	23.8
74	49	35.6	23.8
75	45	39.2	22.9
75	46	38.3	22.9
75	47	37.4	22.9
75	48	36.5	22.9
75	49	35.6	22.9

Age of P	Age of S	J&S EX	Table
76	45	39.1	22.0
76	46	38.2	22.0
76	47	37.3	22.0
76	48	36.4	22.0
76	49	35.5	22.0
77	45	39.1	21.2
77	46	38.2	21.2
77	47	37.3	21.2
77	48	36.4	21.2
77	49	35.5	21.2
78	45	39.1	20.3
78	46	38.2	20.3
78	47	37.2	20.3
78	48	36.3	20.3
78	49	35.4	20.3

Age of P	Age of S	J&S EX	Table
79	45	39.1	19.5
79	46	38.1	19.5
79	47	37.2	19.5
79	48	36.3	19.5
79	49	35.4	19.5
80	45	39.0	18.7
80	46	38.1	18.7
80	47	37.2	18.7
80	48	36.3	18.7
80	49	35.4	18.7

“P” refers to Participant.

“S” refers to Spouse.

“J&S EX” refers to the joint and survivor expectancy multiple.

“Table” refers to the applicable distribution period under the Uniform Lifetime Table (see Exhibit A).

Note: This table is contained in Treas. Reg. § 1.401(a)(9)-9, A-3, Joint and Last Survivor Table. Under the minimum distribution rules, this table is used in lieu of the Uniform Lifetime Table set forth in Exhibit A for determining the joint and last survivor expectancy of the participant and the participant’s spouse if the spouse is more than 10 years younger than the participant and is named as the participant’s sole designated beneficiary during the entire year. The applicable distribution period from the Uniform Lifetime Table is provided for comparison. Of course, this table only covers a participant age 70 to 80 having a spouse who is more than 20 but less than 26 years younger than the participant. See the actual table contained in the regulations for other age combinations.

**EXHIBIT D
CHART FOR DETERMINING APPLICABLE DISTRIBUTION PERIOD**

Designated Beneficiary	Applicable Distribution Period at RBD	Applicable Distribution Period if P dies before RBD	Applicable Distribution Period if P dies after RBD
P's Spouse is not P's sole DB	Table 1	DB's L EX, determined in the year following the year of P's death, reduced by 1 for each year thereafter 2	The longer of the period determined in box 2 or 9 3
P's sole DB is P's Spouse	Table, or, if S is more than 10 years younger than P, J&S redetermined each year (if Spouse no longer P's sole DB at end of a calendar year, the Table must be used) 4	S's L EX, beginning in the year P would have reached age 70 1/2, redetermined each year until S's death, when it becomes S's L EX in the year of death, reduced by 1 for each year that elapses after the year of S's death (consider spousal rollover) 5	S's L EX, redetermined each year until S's death, when it becomes S's L EX in the year of death, reduced by 1 for each year that elapses after the year of S's death (consider spousal rollover) 6
No DB	Table 7	By the end of the 5th calendar year following the calendar year of P's death 8	P's L Ex determined in the year of P's death, reduced by 1 for each year thereafter 9

RBD = Required beginning date, which for all account holders of IRAs and participants in qualified retirement plans who own more than 5% of the sponsoring employee is April 1 following the year in which the Participant reaches age 70 1/2. For participants in qualified retirement plans who do not own more than 5% of the sponsoring employer, unless the plan applies the rule in the first sentence to all employees, the RBD is April 1 of the calendar year following the later of the calendar year in which the Participant retires or reaches age 70 1/2.

Table = The uniform lifetime table.

P = Participant, which includes a participant in a qualified retirement plan or an account holder in an IRA.

S = Spouse of the Participant, who, depending upon the context, may be the Participant's surviving spouse. Note, that unless the Spouse is the Participant's sole Designated Beneficiary, the Spouse is treated as any other Designated Beneficiary. The Spouse will be the Participant's sole Designated Beneficiary to the extent that he or she is the outright beneficiary of some or all of the Participant's plan benefit or IRA. If the Spouse is one of two or more Designated Beneficiaries, he or she will not be treated as the Participant's sole Designated Beneficiary unless by September 30 of the calendar year following the calendar year of the Participant's death a separate account is created for S's portion of the plan benefit or IRA, the other Designated Beneficiary disclaims his or her interest, or the other Designated Beneficiary's portion is distributed to him or her. If the beneficiary is a trust and the Spouse is the oldest beneficiary of the trust, he or she will be treated as the Participant's sole Designated Beneficiary only if all distributions from the plan or IRA paid to the trust during his or her lifetime are required to be redistributed to him or her. In addition, to the extent the Spouse has the right to the plan benefit or IRA either as the outright beneficiary or a beneficiary of a trust who has the right to withdraw the right to receive the plan benefit or IRA, the Spouse may have the Participant's plan benefit (if permitted under the plan) or IRA rolled over or transferred to his or her own IRA or, if named as the outright beneficiary, may elect to treat the Participant's IRA as his or her own IRA, in which case, the required minimum distribution rules will now apply treating the Spouse as the Participant.

DB = Designated Beneficiary, which, in most cases, must be established by September 30 of the year following the year of the Participant's death, except when the Participant names his or her Spouse as his or her sole Designated Beneficiary, and the Spouse is more than 10 years younger than the Participant. In this case, the identity of the Designated Beneficiary is relevant at the Participant's RBD. Note that an individual beneficiary of a trust named as the Participant's beneficiary may be treated as the Participant's Designated Beneficiary if the trust satisfies four requirements by September 30 (or October 31 in the case of the documentation requirements) of the calendar year following the calendar year of the Participant's death (or, if the Participant's Spouse is the Participant's sole Designated Beneficiary and is more than 10 years younger than the Participant, at the beginning of the calendar year).

J&S = Joint & survivor expectancy of the Participant and Spouse redetermined ("recalculated") each year, which can only be the applicable distribution period if both the Participant and the Spouse are alive, the Spouse is more than 10 years younger than the Participant, and the Participant has named the Spouse as his or her sole Designated Beneficiary.

L EX = Life expectancy of the Designated Beneficiary, which may include a Spouse.

Note, except in the case of P's death before the RBD when S is the sole Designated Beneficiary, distributions to the DB after P's death must commence by December 31 of the calendar year following the calendar year of P's death.

- Endnotes
- 1 Treas. Reg. § 1.401(a)(9)-1, A-2(a). 51 Treas. Reg. § 1.401(a)(9)-5, A-3(b).
- 2 Preamble to Final Regulations. 52 *Id.*
- 3 Treas. Reg. § 1.401(a)(9)-1, A-2(b).
- 4 Treas. Reg. § 1.401(a)(9)-9. See Exhibits A, B, and C.
- 5 Preamble to Final Regulations.
- 6 Treas. Reg. § 1.401(a)(9)-5, A-4(a).
- 7 Treas. Reg. § 1.401(a)(9)-5, A-4(b).
- 8 Treas. Reg. § 1.401(a)(9)-2, A-2(b).
- 9 Treas. Reg. § 1.401(a)(9)-2, A-2(a).
- 10 Treas. Reg. § 1.401(a)(9)-2, A-2(e).
- 11 Treas. Reg. § 1.401(a)(9)-4, A-4(a).
- 12 Treas. Reg. § 1.401(a)(9)-4, A-1.
- 13 Treas. Reg. § 1.401(a)(9)-4, A-1, 3.
- 14 Treas. Reg. § 1.401(a)(9)-3, A-1(a), 4.
- 15 Treas. Reg. § 1.401(a)(9)-5, A-5(a)(2), (3).
- 16 Treas. Reg. § 1.401(a)(9)-5, A-7(b), (c).
- 17 Treas. Reg. § 1.401(a)(9)-5, A-7(c).
- 18 Treas. Reg. § 1.401(a)(9)-5, A-7(a)(1).
- 19 Reg. § 1.401(a)(9)-4, A-3.
- 20 Treas. Reg. § 1.401(a)(9)-4, A-4(a).
- 21 *Id.*
- 22 Treas. Reg. § 1.401(a)(9)-8, A-2(a)(2).
- 23 Treas. Reg. § 1.401(a)(9)-5, A-7(a)(2).
- 24 Treas. Reg. § 1.401(a)(9)-4, A-4(c).
- 25 Treas. Reg. § 1.401(a)(9)-5, A-7(c)(2).
- 26 Treas. Reg. § 1.401(a)(9)-3, A-4(a), A-5(c)(1).
- 27 Treas. Reg. § 1.401(a)(9)-1, A-2(b)(2).
- 28 Treas. Reg. § 54.4974-2, A-7(b).
- 29 Treas. Reg. § 1.401(a)(9)-5, A-5(c)(2).
- 30 *Id.*
- 31 Treas. Reg. § 1.401(a)(9)-3, A-3(b).
- 32 Treas. Reg. § 1.401(a)(9)-5, A-5(a)(1).
- 33 Treas. Reg. § 1.401(a)(9)-5, A-5(c)(2).
- 34 *Id.*
- 35 Treas. Reg. § 1.401(a)(9)-4, A-5(a), (b).
- 36 Treas. Reg. § 1.401(a)(9)-4, A-6(b).
- 37 Treas. Reg. § 1.401(a)(9)-1, A-2(c).
- 38 Treas. Reg. § 1.401(a)(9)-5, A-4(b).
- 39 Treas. Reg. § 1.401(a)(9)-4, A-6(a).
- 40 Preamble to Final Regulations.
- 41 Treas. Reg. § 1.401(a)(9)-8, A-2(a)(2).
- 42 Treas. Reg. § 1.401(a)(9)-8, A-3.
- 43 *Id.*
- 44 Treas. Reg. § 1.401(a)(9)-4, A-5(c).
- 45 Treas. Reg. § 1.408-8, A-5(a).
- 46 *Id.*
- 47 Treas. Reg. § 1.408-8, A-10; Notice 2002-27.
- 48 *Id.*
- 49 *Id.*
- 50 Treas. Reg. § 1.401(a)(9)-5, A-4(b).