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(This is part of our series of "sweet 16" year-end tax planning ideas.)

The IRS demands that most retirees in their seventies take annual required minimum distributions (RMDs) from their qualified plans and IRAs. And the nation's tax collection agency means business: Failing to do so can result in one of the most

Furthermore, although payouts from qualified plans and IRAs don't count as "net investment income" (NII) for the 3.8% tax, these distributions still increase your modified adjusted gross income (MAGI) under the NII tax calculation.

To compound the tax misery, you must begin taking lifetime RMDs from qualified plans and traditional IRAs – but not Roth IRAs – no later than April 1 of the year following the year you turned age 70½ and continue to do so each succeeding year. For instance, if a client turned age 70½ on June 1, 2015, he or she must take an RMD for the 2015 tax year by April 1, 2016 and then another RMD for the 2016 tax year by December 31, 2016.

However, a client may be able to postpone the inevitable in some cases. If you're still working full-time for an employer where you have a qualified plan and you don't own 5 percent or more of the business, you can delay RMDs until your actual retirement. This exception only applies to employer-sponsored plans — not to IRAs.

How much do you have to withdraw? The amount of the RMD is based on IRS life expectancy tables and the value of the account on the last day of the previous tax year. Therefore, distributions for 2015 depend on your account balances as of December 31, 2014, even though you're taking out the funds almost one year later.

Note that you don't have to take RMDs from any one account. You can divide up the distributions anyway you see fit as long as the total equals or exceeds the required amount. This gives you flexibility to cherry-pick the accounts you intend to raid.

What's the penalty for failing to take an RMD? It's equal to 50% of the amount that should have been withdrawn (or the difference between the required amount and a lesser amount actually withdrawn) – on top of the regular income tax and 3.8% NII tax the client may owe. For instance, if a client neglects to take a $10,000 RMD before the end of 2015, the penalty is a staggering $5,000. This is a powerful tax incentive to

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