

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

over 70 and a half?

Mar. 29, 2013

Taxpayers over 70 need to think about their birthday a little more closely. Are you over 70 and a half?

The [Internal Revenue Service](#) is reminding Americans who turned “70½” during 2012 that in most cases, they need to start receiving required minimum distributions (RMD) from individual retirement accounts (IRAs) and retirement plans by Monday, April 1, 2013.

The deadline applies to owners of traditional IRAs but not Roth IRAs. Normally, it also applies to participants in various workplace retirement plans including 401(k), 403(b) and 457 plans.

The special April 1 deadline only applies to the required distribution for the first year. For all subsequent years, the RMD must be made by Dec. 31. So, for example, a taxpayer who turned 70½ in 2012 who receives the first required payment on April 1, 2013 must still receive the second RMD by Dec. 31, 2013.

Affected taxpayers who turned 70½ during 2012 must figure the required minimum distribution for the first year using their life expectancy on Dec. 31, 2012 and their account balance on Dec. 31, 2011. The trustee reports the year-end account value to the IRA owner on Form 5498 in Box 5. Worksheets and life expectancy tables for making this computation can be found in the Appendices to Publication 590.

Most taxpayers use Table III (Uniform Lifetime) to figure their RMD. For a taxpayer who turned 71 on or before Dec. 31, 2012, for example, the first required distribution would be based on a life expectancy of 26.5 years. A separate table, Table II, applies to

a taxpayer married to a spouse, more than 10 years younger, who is his or her only

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

how to treat these accruals.

The IRS encourages taxpayers to begin planning now for any distributions required during 2013. An IRA trustee must either report the amount of the RMD to the IRA owner or offer to calculate it for the owner. Often, the trustee shows the RMD amount in Box 12 on Form 5498. For a 2013 RMD, this is the 2012 Form 5498 normally issued in January 2013.

For tax-year 2013, IRA owners can use qualified charitable distributions (QCD) paid directly to an eligible charity to meet part or all of their RMD obligation. Available only to IRA owners 70½ or older, this provision allows the IRA owner to exclude from income up to \$100,000 of these QCDs.

Benefits • Income Tax • IRS

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved