

Most retirees must take required minimum distributions by Dec. 31

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WASHINGTON — The Internal Revenue Service today reminded retirement plan participants and individual retirement account owners that payments, called [required minimum distributions](#), must usually be taken by Dec. 31.

Required minimum distributions (RMDs) generally are minimum amounts that retirement plan account owners must withdraw annually starting with the year they reach 72 or, if later, the year they retire. However, if the retirement plan account is an IRA or the account owner is a 5% owner of the business sponsoring the retirement plan, the RMDs must begin once the account holder is age 72, even if they're still working. RMD amounts not timely withdrawn from accounts may be subject to penalties.

Individuals who reached 70 ½ in 2019, (70th birthday was June 30, 2019 or earlier) did not have an RMD due for 2020, but will have to take one by Dec. 31, 2021.

Individuals who reach 72 in 2021 (and their 70th birthday was July 1, 2019 or later) have their first RMD due by April 1, 2022.

The required distribution rules apply to:

- Owners of traditional Individual Retirement Arrangements (IRAs)
- Owners of traditional Simplified Employee Pension (SEP) IRAs
- Owners of Savings Incentive Match Plans for Employees (SIMPLE) IRAs
- Participants in various workplace retirement plans, including 401(k), Roth 401(k), 403(b) and 457(b) plans

[Roth IRAs](#) do not require distributions while the original owner is alive.

An IRA trustee, or plan administrator, must report the amount of the RMD to the IRA owner. An IRA owner, or trustee, must calculate the RMD separately for each IRA owned. However, they can choose to withdraw the total amount from one or more of the IRAs. In contrast, RMDs required from workplace retirement plans must be taken separately from each plan. Not taking a required distribution, or not withdrawing enough, could mean a 50% excise tax on the amount not distributed.

The RMD is based on the taxpayer's life expectancy and their account balance. Often, a trustee will use [Form 5498](#), IRA Contribution Information, to report the RMD to the recipient. For most taxpayers, life expectancy used to calculate the RMD is based on Uniform Lifetime Table III in [Publication 590-B](#), Distributions from IRAs. Individuals can use [online worksheets](#) on IRS.gov to figure the RMD.

2020 RMDs

An IRA owner or beneficiary who received an RMD in 2020 had the option of returning it to their account or other qualified plan to avoid paying taxes on that distribution. A 2020 RMD that qualified as a coronavirus-related distribution may be repaid over a 3-year period or have the taxes due on the distribution spread over three years. A 2020 withdrawal from an inherited IRA could not be repaid to the inherited IRA but may be spread over three years for income inclusion.



IRS online tools and publications can help

Taxpayers can find [frequently asked questions](#), forms and instructions and easy-to-use tools at IRS.gov.

- [FAQs regarding Required Minimum Distributions](#)
- [Individual Retirement Arrangements \(IRAs\)](#)
- [Coronavirus Relief for Retirement Plans and IRAs](#)