



All you need to know about your RMD

Required minimum distribution (RMD) guide

You have recently learned that, in accordance with federal tax law, you must start taking an annual minimum withdrawal from your retirement account after you reach a certain age. This guide has the answers to questions you may have regarding your RMD.



What is a required minimum distribution (RMD)?

An RMD is a taxable distribution that usually must be taken from your retirement account no later than April 1 of the calendar year after the calendar year you reach a certain age. A distribution must then be taken at least once annually every year after that, no later than December 31.

What age triggers the requirement to take RMDs?

The Internal Revenue Code sets the age that triggers the requirement to begin RMDs, and that age varies depending on when you were born.

Birth date	Age*
Before July 1, 1949	70½
After June 30, 1949, and before January 1, 1951	72
After December 31, 1950, and before January 1, 1959	73
After December 31, 1958	75

* RMDs must begin by April 1 of the calendar year following the year you reach this age.

What types of retirement accounts have an RMD?

An RMD applies to most types of retirement plans, including, but not limited to:

- Traditional IRAs
- SEP IRAs
- SIMPLE IRAs
- 401(k) plans
- 403(b) plans
- 457(b) plans
- Profit sharing plans
- Other defined contribution plans

Note: RMDs are not required from Roth IRAs during the owner's life but the beneficiary must take RMDs after the death of the owner.

Source: irs.gov

What if I'm still working?

For qualified employer-sponsored retirement plans, you are required to take your first RMD by April 1 of the calendar year following the later of:

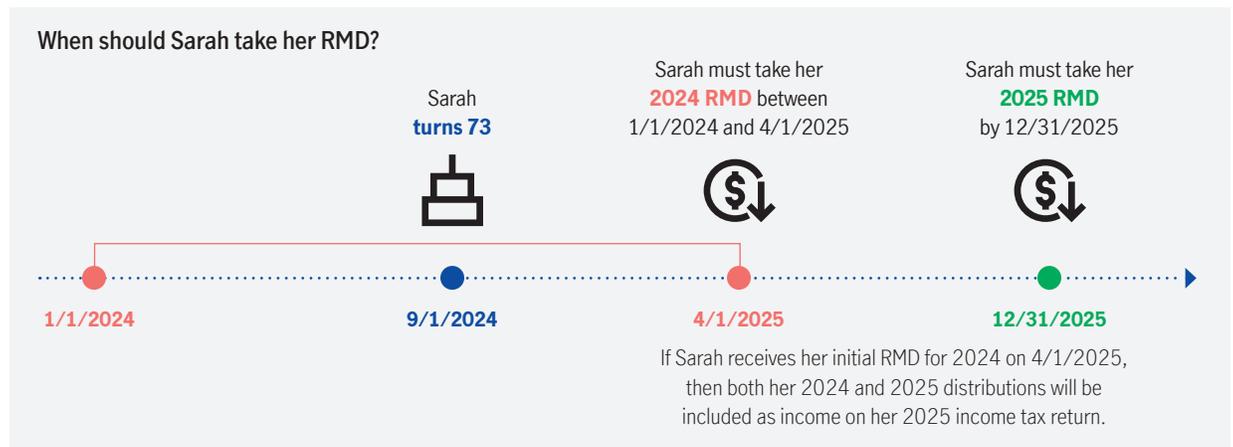
- the calendar year in which you reach the triggering age, or
- the calendar year you cease to work for the employer who sponsors the plan.

However, an employee who owns at least a 5% interest in that employer must begin distributions no later than April 1 of the calendar year following the year the employee reaches the triggering age. For IRAs, you must take your first RMD by April 1 of the calendar year after the calendar year you reach the triggering age, regardless of whether you are still employed.

What if I have more than one retirement account?

You must calculate the RMD for each account you hold. However, depending on the types of accounts you hold, you may have some flexibility in deciding from which account(s) to withdraw the total RMD amount in any given year. For example, if you have two traditional IRAs, a SEP IRA and a 403(b), you can calculate and total the RMD amount for each IRA and have the option to take that total amount out of just one of your three IRA accounts or from any combination of your three IRA accounts. The calculated RMD for your 403(b) can only be taken from the 403(b). Please note that you cannot aggregate an inherited IRA with your own IRAs. In addition, if you are a participant in more than one employer-sponsored qualified plan, you must take your RMDs from each plan.

For example:



What if I do not need the money from my account?

Regardless of whether you want or need the money, federal tax law requires an annual distribution.

Do I have to take the RMD every year?

Yes. RMDs must be withdrawn every year after you reach the triggering age or, in the case of an employer-sponsored retirement plan, after you stop working for that employer (if later).

Can I take more than the RMD?

Sure! You can withdraw more than the annual RMD if there are sufficient funds in your account. Please note any amount taken that is over the RMD for that year will not count towards the amount required to be distributed in subsequent years. Remember, the more you take now, the less you will have available to you for future living expenses. Also, if you plan to withdraw more than your RMD, you should first verify whether taking more than the RMD for an account would affect any guarantees or benefits that account might otherwise provide.

Also note that while an RMD is calculated on an annual basis, you may choose to receive distributions on a monthly, quarterly, or semiannual basis, as long as you take the full amount required each year.

What happens if I do not take an annual RMD or mistakenly take less than my RMD?

If you fail to take your RMD, you may be subject to an excise tax equal to 50% of the amount that should have been distributed but was not. For tax years after 2022, the excise tax reduces to 25% of the amount that should have been distributed.

The Internal Revenue Service (IRS) may waive the excise tax if you establish that you did not take your full RMD due to a reasonable error and that reasonable steps are being taken to withdraw the full amount required. To request a waiver of the excise tax, you must file IRS Form 5329 with your income tax return and attach a letter of explanation (instructions may be found at [irs.gov](https://www.irs.gov)). For tax years beginning after 2022, RMD failures that do not qualify for this waiver may be eligible for a reduced 10% excise tax provided that a correction meets certain criteria. Please consult with your own tax professional for guidelines specific to your situation.

How is my RMD calculated?

Your RMD varies by year and is calculated by dividing your account value as of December 31 of the previous year by your life expectancy distribution period as of the calculation year (please refer to the next page to see how your distribution period is determined).

$$\text{RMD amount} = \frac{\text{Account value as of December 31 of previous year}}{\text{Distribution period as of calculation year}}$$

How does my RMD calculation vary with an annuity?

On occasion, an actuarial present value (APV) calculation may be added to your account value to determine the RMD. Required by federal regulations, the APV takes into account riders or other benefits that are not included in the contract value, which may include living benefits, withdrawal benefits, and some death benefits. John Hancock takes the future value of those benefits and converts it into today's dollar amount, based on factors such as projected mortality, lapse and interest rates.

$$\text{RMD amount} = \frac{\text{Account value as of December 31 of previous year} + \text{APV calculation}}{\text{Distribution period as of calculation year}}$$

What taxes apply to my RMD?

RMDs are generally subject to federal income tax and applicable state income tax. However, if your account holds after-tax contributions, part of your RMD will be treated as a nontaxable return on a portion of those contributions. Please consult with your own tax professional for guidelines specific to your situation.

Can I choose to direct my IRA RMD to a charity?

You may make qualified/nontaxable charitable distributions directly from your IRA to a charitable organization while also satisfying your RMD, subject to applicable tax rules. Please consult with your own tax professional for guidelines specific to your situation.

What is my best option for taking my RMD?

We are not permitted to offer advice or recommendations regarding your RMD options. Please consult with your own tax professional.

How is my life expectancy distribution period determined?

Your distribution period may be determined from the IRS's "Uniform lifetime table," which is also shown on the right. A separate table is used if the sole beneficiary of your retirement account is your spouse who is 10 or more years younger than you. This distribution period is determined by finding the distribution period at the intersection of your ages on the IRS's "Joint life and last survivor expectancy table," which may be found at [irs.gov](https://www.irs.gov). **The IRS periodically updates these tables. Please check to ensure you are using the most current version.**

Examples:

Uniform lifetime

Account balance as of December 31 of previous year	\$100,000.00
Your age	73
Distribution period	26.5
RMD	$\frac{\$100,000.00}{26.5} = \mathbf{\$3,773.58}$

Joint life and last survivor*

Account balance as of December 31 of previous year	\$100,000.00
Your age	73
Spouse age	55
Distribution period	32.6
RMD	$\frac{\$100,000.00}{32.6} = \mathbf{\$3,067.48}$

* Joint life and last survivor expectancy table at [irs.gov](https://www.irs.gov).

Uniform lifetime table			
Age	Distribution period	Age	Distribution period
72	27.4	97	7.8
73	26.5	98	7.3
74	25.5	99	6.8
75	24.6	100	6.4
76	23.7	101	6.0
77	22.9	102	5.6
78	22.0	103	5.2
79	21.1	104	4.9
80	20.2	105	4.6
81	19.4	106	4.3
82	18.5	107	4.1
83	17.7	108	3.9
84	16.8	109	3.7
85	16.0	110	3.5
86	15.2	111	3.4
87	14.4	112	3.3
88	13.7	113	3.1
89	12.9	114	3.0
90	12.2	115	2.9
91	11.5	116	2.8
92	10.8	117	2.7
93	10.1	118	2.5
94	9.5	119	2.3
95	8.9	120 and over	2.0
96	8.4		

How can John Hancock help?

Go online at johnhancock.com/annuities.

To view your RMD details

- If you are a client, register or log in to your account, click the **My Contracts** tab and scroll down to the **Req Minimum Distribution** section.
- If you are a financial professional, register or log in to your account, click the **View Contract List** link under the **Activity Center** and select individual contracts to view or click **Download Contract List Summary Report** to export your entire book of business to an excel spreadsheet.

To schedule an RMD

- Go to the **forms page** and find the **Required minimum distribution request form**.
- Click the applicable **online submission** button and follow the step-by-step instructions.

Call our automated service line at 800-344-1029.

- **Owner or annuitant**—Press 1, enter requested information, say required minimum distribution or RMD
- **Financial professional**—Press 2, enter requested information, say required minimum distribution or RMD

The screenshot shows the 'My Contracts' tab selected in the top navigation bar. Below it, the 'Contract Overview' section displays details for contract number 8081234, including a value of \$184,276.92 as of 10/28/2021 and a last transaction of a withdrawal on 10/20/2021 for \$1,266.66. The 'Req Minimum Distribution' section is highlighted with a red box and shows the following details:

Current Year Required Minimum Distribution:	\$2,174.13
Remaining Current Year Required Minimum Distribution Amount:	\$0.00
Prior Year Required Minimum Distribution:	\$2,212.46
Next Withdrawal:	05/05/2017

The screenshot shows the 'Advisor Center' tab selected in the top navigation bar. Below it, the 'Activity Center' section is visible. The 'CONTRACT LIST & REPORTS' section is highlighted with a red box and contains the following table:

Owner Name	Annuitant	Product Name	Auto RMD	Living Benefit	Contract	Account Status	Inception Date	Value
NCBWXXQ ARLIZ	NCBWXXQ ARLIZ	Venture Trail	N/A	GRIP2	1234567	Active	09/27/2001	\$38,989.56

The screenshot shows the 'Required Minimum Distribution Request Form' page. It includes a red box around the 'Download Contract List Summary Report' link in the previous screenshot. The form page has the following text and buttons:

Required Minimum Distribution Request Form
Use this form to request that John Hancock calculate and make a one-time withdrawal or schedule recurring automatic withdrawals from an annuity contract to satisfy an IRS Required Minimum Distribution (RMD). NOTE: 2020 RMDs have been waived per Congress' CARES Act, its response to the 2020 coronavirus pandemic. Contact your tax professional for more information.

[Client online submission](#) [Representative online submission](#) [Download](#)

[View RMD guide](#) [Watch guide](#)



For any questions, please call 800-344-1029 Monday–Friday, 8 A.M.–5:30 P.M. Eastern time.



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