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The "Uniform Lifetime Table"
For Individual Retirement Account Distributions

Tax law requires individual retirement account holders to begin taking out at least minimum amounts from their accounts once they reach age 70½. Technically, that means the IRA money must start coming out in specific increments no later than April 1 following the year you reach that age.

The required annual minimum distributions can be calculated by dividing an account's year-end value by the distribution period determined by the IRS. The one shown below is the Uniform Lifetime Table, the most commonly used of three life-expectancy charts that help retirement account holders figure mandatory distributions.[1]

Table for Determining Applicable Divisor

Age	Applicable Divisor	Age	Applicable Divisor	Age	Applicable Divisor
70	27.4	86	14.1	102	5.5
71	26.5	87	13.4	103	5.2
72	25.6	88	12.7	104	4.9
73	24.7	89	12.0	105	4.5
74	23.8	90	11.4	106	4.2
75	22.9	91	10.8	107	3.9
76	22.0	92	10.2	108	3.7
77	21.2	93	9.6	109	3.4
78	20.3	94	9.1	110	3.1
79	19.5	95	8.6	111	2.9
80	18.7	96	8.1	112	2.6
81	17.9	97	7.6	113	2.4
82	17.1	98	7.1	114	2.1
83	16.3	99	6.7	115 +	1.9
84	15.5	100	6.3		
85	14.8	101	5.9		

[1] This table does not apply to beneficiaries of a deceased IRA owner; or if the sole beneficiary of the IRA is the participant's spouse who is more than ten (10) years younger than the participant. This table may not be used for distribution years prior to 2002.

For example, Joe Retiree, who is 80, a widower and whose IRA was worth $100,000 at the end of last year would use the Uniform Lifetime Table. It indicates a distribution period of 18.7 years for an 80-year-old. Therefore, Joe must take out at least $5,348 this year ($100,000 divided by 18.7).

Penalty for Failure to Withdraw

Failure to withdraw triggers an excess accumulation tax. This penalty is 50 percent of the required distribution that you didn't take. For example, you didn't withdraw the required $1,000 from your traditional IRA. The tax charge for your defiance is $500. For a taxpayer in the 25-percent income tax bracket, that's twice what you would have paid in taxes if you'd simply followed the required minimum distribution (RMD) rule.

If you can convince the IRS that your distribution shortfall was due to "reasonable error" and that you're taking steps to rectify the situation, the agency could waive the penalty. In that case, file Form 5329 (part VIII), go ahead and pay the excess accumulation tax, and attach a letter of explanation. If the IRS agrees that you shouldn't be penalized, it will refund the excess tax.

Withdrawing More Than Minimum Required Amount

You can always take out more than the required amount. But that won't affect distributions in future years. Say, for example, your required withdrawal this year is $1,500 but you take out $2,000. You can't carry that $500 over to count against the next required distribution. But, because you've reduced your IRA balance, your subsequent minimum distributions will be lowered.

Calculation for Multiple Retirement Accounts

Do you have multiple retirement accounts? Then you must figure the minimum withdrawal amount for each, but you don't necessarily have to raid them all. You can add the separate amounts and take the total from just one.

Accounting for Non-Deductible Contributions

If you made any nondeductible contributions to your traditional IRA, make sure you have the paperwork to back that up. This is part of the reason that you need to file Form 8606, which tracks these amounts and establishes your cost basis in your account. Your nondeductible contributions are not taxed when you withdraw them. Rather, they are a return of your investment (i.e., your cost basis) in your IRA.

The IRS will let you take your required distribution in installments. Just make sure that these disbursements, be they monthly, quarterly or some other increment, total at least the yearly minimum amount you're obligated to withdraw.

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