2025 RMD Reference Guide

Required minimum distributions (RMDs) are the *minimum* amount you must withdraw annually from your pre-tax, tax-deferred accounts, including (but not limited to) traditional individual retirement accounts and annuities (IRAs), SEP IRAs, SIMPLE IRAs, 401(k) plans, 403(b) plans, 457(b) plans, profit-sharing plans, and other qualified pension or retirement plans.

Starting Age for RMDs

When you must start taking RMDs depends on when you were born.

Birth Date or Year	Age
Before 7/1/1949	70½
7/1/1949 to 1950	72
1951 to 1959	73
1960 and later	75

Penalty for Not Taking Your Full RMD

If you fail to withdraw any part of your RMD by the due date, that amount may be subject to a tax penalty.

Penalty (as a percentage of the amount not taken)	Circumstances
25%	Default amount
10%	If the issue is corrected within two years
0%	If the failure was due to a reasonable error and you are taking reasonable steps to correct the issue, the IRS *may* waive the penalty.

When to Take Your RMDs

You must take each year's RMD by **December 31** until you have withdrawn all the funds. However, the first RMD may have different timing rules.

Account Type	First RMD Timing
IRAs (including traditional IRAs, SEP IRAs, and SIMPLE IRAs)	April 1 of the year following the calendar year in which you reach RMD age.
Tax-qualified plans (including 401(k)s, 403(b)s, 457(b)s)	April 1 of the year following the calendar year in which you reach RMD age. If you are still employed, the plan may allow you to delay your first RMD until April 1 of the year after you retire from the plan sponsor. (This exception only applies to the account associated with your current employer, and you cannot own more than 5% of the business sponsoring the plan.)
Roth IRAs and designated Roth accounts	RMD rules do not apply during the owner's lifetime. However, they do apply to the beneficiaries who inherit Roth IRAs and designated Roth accounts.
Inherited IRAs	The rules for inherited IRAs are complex, and the necessity and timing of RMDs depend on various factors. If the deceased IRA owner had already reached their starting age for RMDs but had not taken their RMD for the year, you must generally take a distribution for them by December 31 in the year of their death. If you inherited the IRA and you have reached your starting age for RMDs, you may also need to take an RMD.

NOTE: If you delay your first RMD until the year after you reach your RMD starting age, you'll have to take your first and second RMDs in the same tax year, which may result in a higher tax bill.

Calculating RMDs

Your RMD amount varies by year. It is calculated annually by dividing the account balance by your life expectancy.

EXAMPLE: If you turned 79 years old this year and had a traditional IRA balance of $300,000 at the end of last year, you would calculate your RMD as follows: **$300,000 ÷ 21.1 divisor = $14,218.01 RMD due** for the current year.

UNIFORM LIFETIME TABLE

Age	Divisor	Account	Age	Divisor	Account	Age	Divisor	Account
73	26.5	3.78%	83	17.7	5.65%	93	10.1	9.91%
74	25.5	3.93%	84	16.8	5.96%	94	9.5	10.53%
75	24.6	4.07%	85	16.0	6.25%	95	8.9	11.24%
76	23.7	4.22%	86	15.2	6.58%	96	8.4	11.91%
77	22.9	4.37%	87	14.4	6.95%	97	7.8	12.83%
78	22.0	4.55%	88	13.7	7.30%	98	7.3	13.70%
79	21.1	4.74%	89	12.9	7.76%	99	6.8	14.71%
80	20.2	4.96%	90	12.2	8.20%	100	6.4	15.63%
81	19.4	5.16%	91	11.5	8.70%	101	6.0	16.67%
82	18.5	5.41%	92	10.8	9.26%	102	5.6	17.86%

Use the Uniform Lifetime Table above to calculate lifetime RMDs from qualified plans, with the following exceptions:

- A spouse who is the sole beneficiary of your IRA and is more than 10 years younger than you should use the Joint Life & Last Survivor Expectancy Table.
- Inherited IRA beneficiaries should generally follow the Single Life Expectancy Table.

These tables are available in IRS Publication 590-B.

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35103 (02/11/25)

Combining RMDs

You must determine your RMD separately for each IRA and tax-qualified retirement account. However, you may be able to combine (or aggregate) your RMDs for the year, then decide from which plans and IRAs to withdraw that total amount.

Account Type	Are Combined RMDs Allowed?
IRAs (including traditional IRAs, SEP IRAs, and SIMPLE IRAs)	Yes, you may combine the RMDs of multiple IRAs.
Tax-qualified plans (including 401(k)s and 457(b)s)	No, you may not combine the RMDs—each account must have its own RMD.
403(b) plans	Yes, you may combine the RMDs of multiple 403(b) plans.
Roth IRAs	There are no RMDs during the owner's lifetime, so distributions from a Roth IRA do not count toward meeting your RMD requirement from other IRAs.
Roth 401(k), 403(b), 457(b) (designated Roth account)	There are no RMDs during the owner's lifetime, so distributions from a designated Roth account do not count toward meeting your RMD requirement from other qualified plan accounts.
Inherited IRAs	RMDs taken from inherited IRAs do not count toward meeting your RMD requirement from other IRAs. Additionally, you cannot aggregate an inherited IRA with your own IRAs.

Additional Resources

Still have questions? Consult with your financial or tax professional, email us at AskAthene@athene.com, or use the IRS links below to access additional information.

- Required Minimum Distributions (RMDs)
- IRS Publication 590-B

Visit IRS.gov for details.

Strategies to Reduce RMDs

RMDs are generally subject to federal income tax and applicable state income tax in the year you receive them, which can result in a higher tax bill. There are tax-efficient strategies to reduce your RMDs, but they each have tradeoffs.

Strategy	Impact On Your RMDs
Distributions Before Reaching RMD Age	Taking systematic withdrawals before reaching your RMD age reduces the value of your accounts, which can reduce the amounts of future RMDs.
Qualified Charitable Distributions (QCDs)	QCDs allow you to donate money directly from your IRA to a qualified charity every year if you wish. If you are 73 or older, a QCD counts toward satisfying your annual RMD and the distribution is tax free up to $108,000 (annual aggregate limit for 2025).
Roth IRA Conversions	Converting retirement savings to a Roth IRA allows the continued potential for tax-free growth but without the burden of RMDs. However, you must pay income tax on the full amount converted in the year of the conversion. This can be a tax-efficient strategy if you think you'll be in a higher tax bracket when you withdraw the money, and/or if you want tax-free access to the savings for yourself or your heirs.
Qualified Longevity Annuity Contracts (QLACs)	If you are age 73 – 85, you can transfer up to $200,000 of your qualified retirement plan assets to a QLAC with no tax consequences, which reduces your total plan assets and results in lower RMDs. This option suits those with enough funds to cover near-term retirement spending who want to protect against outliving their assets. Annuity payments from the QLAC can be deferred until 85, at which point they are taxed at ordinary income tax rates.
Net Unrealized Appreciation (NUA)	When you receive distributions of appreciated employer stock from an eligible employer-based retirement plan as part of a qualifying lump-sum distribution, favorable NUA tax rules may reduce future RMDs. You must have reached age 59½, be separated from your employer, or have experienced total disability (self-employed workers).

Required Minimum Distribution as defined by Internal Revenue Code Section 401(a)(9).

Withdrawals and surrender of taxable amounts are subject to ordinary income tax, and except under certain circumstances, will be subject to an IRS penalty if taken prior to age 59½.

Any information regarding taxation contained herein is based on our understanding of current tax law, which is subject to change and differing interpretations. This information should not be relied on as tax, legal or financial advice and cannot be used by any taxpayer for the purposes of avoiding penalties under the Internal Revenue Code. We recommend that taxpayers consult with their tax or legal professionals for applicability to their personal circumstances.

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35103 (02/11/25)