

Minimum Distribution for 2005

Case 4: Pre-59 1/2 Distributions

Age of Plan Owner in 2005:	55
Age of Beneficiary in 2005:	52
First Year of Minimum Distributions:	2020

Plan Balance on 12/31/2004:	\$100,000.00
Life Expectancy Factor:	29.6

There is No Required Distribution in 2005

Distribution Needed to Avoid the 10% Penalty

Case 4: Pre-59 1/2 Distributions

First Distribution:	2/2006
Owner's Birth Date:	1/1/1950
Pre-59½ Distributions Based on Owner Only	
Revenue Ruling 2002-62 Used?: (IRS FAQ Used)	Yes
Distribution Method Selected:	Amortization
Distributions Calculated From 2/2006 Balance:	\$100,000.00
Life Expectancy Table Used:	Single Life Table
"Reasonable" Interest Rate:	5.43%
Required Distribution for 2006:	\$6,954.80

Summary of Distributions

Case 4: Pre-59 1/2 Distributions

Calculating Minimum Distributions for Qualified Plan or IRA
 Current Year: 2005
 Year of First Required Distribution: 2020
 First Required Distribution After Rollover: 2034
 12/31/2004 Plan Balance: \$100,000.00
 Expected Plan Growth: 5.0000%
 Distributions Taken at Beginning of Each Year
 Is there a Designated Beneficiary?: Yes
 Owner's Birth Date: 1/1/1950
 Beneficiary's Birth Date: 1/1/1953
 Beneficiary is Spouse?: Yes
 Beneficiary's Birth Year: 1977
 Assumed Death of Owner: 2033
 Assumed Death of Beneficiary: 2041
 Spouse Rolls Over Plan in: 2033

<u>Year</u>	<u>Age</u>	<u>Balance</u>	<u>Life Exp.</u>	<u>Distribution</u>	<u>Total Distributed</u>
2005	55	\$100,000.00	29.6	\$0.00	\$0.00
2006	56	\$105,000.00	28.7	\$6,954.80	\$6,954.80
2007	57	\$102,947.46	27.9	\$6,954.80	\$13,909.60
2008	58	\$100,792.29	27.0	\$6,954.80	\$20,864.40
2009	59	\$98,529.36	26.1	\$6,954.80	\$27,819.20
2010	60	\$96,153.29	25.2	\$6,954.80	\$34,774.00
2011	61	\$93,658.41	24.4	\$0.00	\$34,774.00
2012	62	\$98,341.33	23.5	\$0.00	\$34,774.00
2013	63	\$103,258.40	22.7	\$0.00	\$34,774.00
2014	64	\$108,421.32	21.8	\$0.00	\$34,774.00
2015	65	\$113,842.39	21.0	\$0.00	\$34,774.00
2016	66	\$119,534.51	20.2	\$0.00	\$34,774.00
2017	67	\$125,511.24	19.4	\$0.00	\$34,774.00
2018	68	\$131,786.80	18.6	\$0.00	\$34,774.00
2019	69	\$138,376.14	17.8	\$0.00	\$34,774.00
2020	70	\$145,294.95	27.4	\$5,302.74	\$40,076.74
2021	71	\$146,991.82	26.5	\$5,546.86	\$45,623.60
2022	72	\$148,517.21	25.6	\$5,801.45	\$51,425.05
2023	73	\$149,851.55	24.7	\$6,066.86	\$57,491.91
2024	74	\$150,973.92	23.8	\$6,343.44	\$63,835.35
2025	75	\$151,862.00	22.9	\$6,631.53	\$70,466.88
2026	76	\$152,491.99	22.0	\$6,931.45	\$77,398.33
2027	77	\$152,838.57	21.2	\$7,209.37	\$84,607.70
2028	78	\$152,910.66	20.3	\$7,532.54	\$92,140.24
2029	79	\$152,647.03	19.5	\$7,828.05	\$99,968.29
2030	80	\$152,059.93	18.7	\$8,131.55	\$108,099.84
2031	81	\$151,124.80	17.9	\$8,442.73	\$116,542.57
2032	82	\$149,816.17	17.1	\$8,761.18	\$125,303.75
2033	83	\$148,107.74	16.3	\$9,086.36	\$134,390.11
2034	81	\$145,972.45	17.9	\$8,154.89	\$142,545.00
2035	82	\$144,708.44	17.1	\$8,462.48	\$151,007.48

Summary of Distributions

Case 4: Pre-59 1/2 Distributions

<u>Year</u>	<u>Age</u>	<u>Balance</u>	<u>Life Exp.</u>	<u>Distribution</u>	<u>Total Distributed</u>
2036	83	\$143,058.26	16.3	\$8,776.58	\$159,784.06
2037	84	\$140,995.76	15.5	\$9,096.50	\$168,880.56
2038	85	\$138,494.22	14.8	\$9,357.72	\$178,238.28
2039	86	\$135,593.33	14.1	\$9,616.55	\$187,854.83
2040	87	\$132,275.62	13.4	\$9,871.31	\$197,726.14
2041	88	\$128,524.53	12.7	\$10,120.04	\$207,846.18
2042	65	\$124,324.71	21.0	\$5,920.22	\$213,766.40
2043	66	\$124,324.71	20.0	\$6,216.24	\$219,982.64
2044	67	\$124,013.89	19.0	\$6,527.05	\$226,509.69
2045	68	\$123,361.18	18.0	\$6,853.40	\$233,363.09
2046	69	\$122,333.17	17.0	\$7,196.07	\$240,559.16
2047	70	\$120,893.96	16.0	\$7,555.87	\$248,115.03
2048	71	\$119,004.99	15.0	\$7,933.67	\$256,048.70
2049	72	\$116,624.89	14.0	\$8,330.35	\$264,379.05
2050	73	\$113,709.27	13.0	\$8,746.87	\$273,125.92
2051	74	\$110,210.52	12.0	\$9,184.21	\$282,310.13
2052	75	\$106,077.63	11.0	\$9,643.42	\$291,953.55
2053	76	\$101,255.92	10.0	\$10,125.59	\$302,079.14
2054	77	\$95,686.85	9.0	\$10,631.87	\$312,711.01
2055	78	\$89,307.73	8.0	\$11,163.47	\$323,874.48
2056	79	\$82,051.47	7.0	\$11,721.64	\$335,596.12
2057	80	\$73,846.32	6.0	\$12,307.72	\$347,903.84
2058	81	\$64,615.53	5.0	\$12,923.11	\$360,826.95
2059	82	\$54,277.04	4.0	\$13,569.26	\$374,396.21
2060	83	\$42,743.17	3.0	\$14,247.72	\$388,643.93
2061	84	\$29,920.22	2.0	\$14,960.11	\$403,604.04
2062	85	\$15,708.12	1.0	\$15,708.12	\$419,312.16
2063	86	\$0.00	0.0	\$0.00	\$419,312.16
Total				<u>\$419,312.16</u>	

Pre-59½ Distributions

Case 4: Pre-59 1/2 Distributions

Starting Date: 2/2006
Revenue Ruling 2002-62 Used?: Yes
(IRS FAQ Used)
2006 Balance: \$100,000.00
Expected Plan Growth: 5.00%
Distributions Occur Annually
Life Expectancy Table Used: Single Life Table

Owner's Birth Date: 1/1/1950
Distribution Method: Amortization
"Reasonable" Interest Rate: 5.43%

<u>Date</u>	<u>Age</u>	<u>Balance</u>	<u>Life Exp.</u>	<u>Distribution</u>
2/2006	56	\$100,000.00	28.7	\$6,954.80
2/2007	57	\$97,697.46	28.7	\$6,954.80
2/2008	58	\$95,279.79	28.7	\$6,954.80
2/2009	59	\$92,741.24	28.7	\$6,954.80
2/2010	60	\$90,075.76	28.7	\$6,954.80

Comparison of Pre-59½ Distributions

Case 4: Pre-59 1/2 Distributions

Starting Date:	2/2006
Revenue Ruling 2002-62 Used?: (IRS FAQ Used)	Yes
2006 Balance:	\$100,000.00
Expected Plan Growth:	5.00%
Distributions Occur Annually	
Life Expectancy Table Used:	Single Life Table
Owner's Birth Date:	1/1/1950
"Reasonable" Interest Rate:	5.43%

<u>Year</u>	<u>Min. Dist. Method Distribution</u>	<u>Amortization Method Distribution</u>	<u>Annuitization Method Distribution</u>
2006	\$3,484.32	\$6,954.80	\$6,872.57
2007	\$3,632.31	\$6,954.80	\$6,872.57
2008	\$3,799.80	\$6,954.80	\$6,872.57
2009	\$3,974.50	\$6,954.80	\$6,872.57
2010	\$4,156.67	\$6,954.80	\$6,872.57
Total:	\$19,047.60	\$34,774.00	\$34,362.85

Plan Balance Graph

Case 4: Pre-59 1/2 Distributions

