

Minimum Distribution for 2005

Case 5: Switch to Minimum Distributions Method for 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 5: Switch to Minimum Distributions Method for Pre-59½ Distributions

First Distribution:	1/2003
Distribution Year:	2006
Owner's Birth Date:	1/1/1950
Pre-59½ Distributions Based on Owner Only	
Revenue Ruling 2002-62 Used?:	Yes
Minimum Distributions Method Used	
Life Expectancy Table Used:	Single Life Table
Balance Used to Determine 2006 Distribution:	\$100,000.00
Required Distribution for 2006:	\$3,484.32

Summary of Distributions

Case 5: Switch to Minimum Distributions Method for Pre-591/2 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: 8.0000%
 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: 1974
 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	\$108,000.00	28.7	\$3,484.32	\$3,484.32
2007	57	\$112,876.93	27.9	\$3,736.09	\$7,220.41
2008	58	\$117,872.11	27.0	\$4,020.03	\$11,240.44
2009	59	\$122,960.25	26.1	\$4,325.00	\$15,565.44
2010	60	\$128,126.07	25.2	\$0.00	\$15,565.44
2011	61	\$138,376.16	24.4	\$0.00	\$15,565.44
2012	62	\$149,446.25	23.5	\$0.00	\$15,565.44
2013	63	\$161,401.95	22.7	\$0.00	\$15,565.44
2014	64	\$174,314.11	21.8	\$0.00	\$15,565.44
2015	65	\$188,259.24	21.0	\$0.00	\$15,565.44
2016	66	\$203,319.98	20.2	\$0.00	\$15,565.44
2017	67	\$219,585.58	19.4	\$0.00	\$15,565.44
2018	68	\$237,152.43	18.6	\$0.00	\$15,565.44
2019	69	\$256,124.62	17.8	\$0.00	\$15,565.44
2020	70	\$276,614.59	27.4	\$10,095.42	\$25,660.86
2021	71	\$287,840.70	26.5	\$10,861.91	\$36,522.77
2022	72	\$299,137.09	25.6	\$11,685.04	\$48,207.81
2023	73	\$310,448.21	24.7	\$12,568.75	\$60,776.56
2024	74	\$321,709.82	23.8	\$13,517.22	\$74,293.78
2025	75	\$332,848.01	22.9	\$14,534.85	\$88,828.63
2026	76	\$343,778.21	22.0	\$15,626.28	\$104,454.91
2027	77	\$354,404.08	21.2	\$16,717.17	\$121,172.08
2028	78	\$364,701.86	20.3	\$17,965.61	\$139,137.69
2029	79	\$374,475.15	19.5	\$19,203.85	\$158,341.54
2030	80	\$383,693.00	18.7	\$20,518.34	\$178,859.88
2031	81	\$392,228.63	17.9	\$21,912.21	\$200,772.09
2032	82	\$399,941.73	17.1	\$23,388.41	\$224,160.50
2033	83	\$406,677.59	16.3	\$24,949.55	\$249,110.05
2034	81	\$412,266.28	17.9	\$23,031.64	\$272,141.69
2035	82	\$420,373.41	17.1	\$24,583.24	\$296,724.93

Summary of Distributions

Case 5: Switch to Minimum Distributions Method for Pre-591/2 Distributions

<u>Year</u>	<u>Age</u>	<u>Balance</u>	<u>Life Exp.</u>	<u>Distribution</u>	<u>Total Distributed</u>
2036	83	\$427,453.38	16.3	\$26,224.13	\$322,949.06
2037	84	\$433,327.59	15.5	\$27,956.62	\$350,905.68
2038	85	\$437,800.65	14.8	\$29,581.13	\$380,486.81
2039	86	\$440,877.08	14.1	\$31,267.88	\$411,754.69
2040	87	\$442,377.94	13.4	\$33,013.28	\$444,767.97
2041	88	\$442,113.83	12.7	\$34,812.11	\$479,580.08
2042	68	\$439,885.86	18.6	\$23,649.78	\$503,229.86
2043	69	\$449,534.97	17.6	\$25,541.76	\$528,771.62
2044	70	\$457,912.67	16.6	\$27,585.10	\$556,356.72
2045	71	\$464,753.78	15.6	\$29,791.91	\$586,148.63
2046	72	\$469,758.82	14.6	\$32,175.26	\$618,323.89
2047	73	\$472,590.24	13.6	\$34,749.28	\$653,073.17
2048	74	\$472,868.24	12.6	\$37,529.23	\$690,602.40
2049	75	\$470,166.13	11.6	\$40,531.56	\$731,133.96
2050	76	\$464,005.34	10.6	\$43,774.09	\$774,908.05
2051	77	\$453,849.75	9.6	\$47,276.02	\$822,184.07
2052	78	\$439,099.63	8.6	\$51,058.10	\$873,242.17
2053	79	\$419,084.85	7.6	\$55,142.74	\$928,384.91
2054	80	\$393,057.48	6.6	\$59,554.16	\$987,939.07
2055	81	\$360,183.59	5.6	\$64,318.50	\$1,052,257.57
2056	82	\$319,534.30	4.6	\$69,463.98	\$1,121,721.55
2057	83	\$270,075.95	3.6	\$75,021.10	\$1,196,742.65
2058	84	\$210,659.24	2.6	\$81,022.78	\$1,277,765.43
2059	85	\$140,007.38	1.6	\$87,504.61	\$1,365,270.04
2060	86	\$56,702.99	0.6	\$56,702.99	\$1,421,973.03
2061	87	\$0.00	0.0	\$0.00	\$1,421,973.03
Total				\$1,421,973.03	

Pre-59½ Distributions

Case 5: Switch to Minimum Distributions Method for Pre-59½ Distributions

Starting Date: 1/2003
Revenue Ruling 2002-62 Used?: Yes
Distribution Year: 2006
1/2006 Balance: \$100,000.00
1/2003 Balance: \$140,000.00
Expected Plan Growth: 8.00%
Distributions Occur Annually
Life Expectancy Table Used: Single Life Table

Owner's Birth Date: 1/1/1950
Distribution Method: Minimum

<u>Date</u>	<u>Age</u>	<u>Balance</u>	<u>Life Exp.</u>	<u>Distribution</u>
1/2006	56	\$100,000.00	28.7	\$3,484.32
1/2007	57	\$104,236.93	27.9	\$3,736.09
1/2008	58	\$108,540.91	27.0	\$4,020.03
1/2009	59	\$112,882.55	26.1	\$4,325.00

Comparison of Pre-59½ Distributions

Case 5: Switch to Minimum Distributions Method for Pre-59½ Distributions

Starting Date:	1/2003
Revenue Ruling 2002-62 Used?:	Yes
Distribution Year:	2006
1/2006 Balance:	\$100,000.00
1/2003 Balance:	\$140,000.00
Expected Plan Growth:	8.00%
Distributions Occur Annually	
Life Expectancy Table Used:	Single Life Table
Owner's Birth Date:	1/1/1950
"Reasonable" Interest Rate:	3.98%

<u>Year</u>	<u>Min. Dist. Method Distribution</u>	<u>Amortization Method Distribution</u>	<u>Annuitization Method Distribution</u>
2006	\$3,484.32	\$7,586.10	\$7,767.72
2007	\$3,736.09	\$7,586.10	\$7,767.72
2008	\$4,020.03	\$7,586.10	\$7,767.72
2009	\$4,325.00	\$7,586.10	\$7,767.72
Total:	\$15,565.44	\$30,344.40	\$31,070.88

Plan Balance Graph

Case 5: Switch to Minimum Distributions Method for Pre-59 1/2 Distributions

