

495—14.15(97B) Required minimum distribution (RMD) basic calculation.

14.15(1) The RMD for a member who retired under an option with a lump sum death benefit and died after the member's required beginning date (RBD) is calculated as follows:

- a.* Step 1. Determine the number of payments remaining for the calendar year in which the member died. The current month's payment is not used in this calculation.
- b.* Step 2. Multiply the number of remaining payments determined in Step 1 by the gross amount of the member's last monthly payment to get the RMD amount. If the lump sum death benefit is less than the RMD, then the RMD is the lump sum death benefit amount.
- c.* Step 3. Determine the total non-RMD amount by subtracting the RMD as determined in Step 2 from the lump sum death benefit.
- d.* The eligible rollover amount is the total non-RMD amount as determined in Step 3.

14.15(2) In order to allocate nontaxable amounts between RMD and non-RMD, the calculation is performed as follows:

- a.* Nontaxable amounts are allocated first to the RMD portion of the lump sum death benefit.
- b.* If the nontaxable amounts are greater than the RMD amount, the remaining nontaxable amounts are allocated to the non-RMD portion of the lump sum amount.
- c.* If the nontaxable amounts are less than the RMD amount, the remaining portion of the RMD amount is composed of taxable amounts.

[**ARC 8929B**, IAB 7/14/10, effective 6/21/10; **ARC 9068B**, IAB 9/8/10, effective 10/13/10; **ARC 5027C**, IAB 4/8/20, effective 5/13/20]