

Required Minimum Distributions Overview

What are Required Minimum Distributions (RMDs)?

Required Minimum Distributions are minimum amounts that a retirement plan account holder must withdraw annually starting with the year that he or she reaches 70 ½ years of age in order to avoid significant tax penalties.

When must I begin to receive a RMD?

You must start receiving a RMD by the date indicated in the chart below. **Note:** The terminated/retired/active statuses mentioned in the below chart refer to your employment status with the employer that sponsors this plan.

What is a required beginning date?

The required beginning date is the date by which a person is required to take his or her first RMD. For most but not all people, their required beginning date is December 31 of the year in which they turn 70 ½ unless they elect to defer their first RMD until April 1, of the following year.

Type of Participant	RMD Requirements
<ul style="list-style-type: none"> I turned 70 1/2 in the current year and, I am retired or terminated from the employer who sponsors this plan and, This is my first RMD 	<ul style="list-style-type: none"> Your first RMD is due by December 31, but you have an option to defer its payment until April 1. Please note, if you defer your first RMD until April 1 of the following year, you will still be required to take your subsequent RMD by December 31
<ul style="list-style-type: none"> I am 70 ½ or older and, I retired or terminated employment prior to 2014 and, This is not my first RMD 	<ul style="list-style-type: none"> You are required to receive your RMD annually by December 31
<ul style="list-style-type: none"> I am a 5% owner and I will be 70 ½ or older in the current year and I am not retired 	<ul style="list-style-type: none"> If this is your first RMD, it is due by December 31 but you have an option to defer its payment until April 1. If this is not your first RMD, the RMD is due by December 31 Please note, if you defer your RMD until the following year, you will still be required to take your subsequent RMD by December 31
<ul style="list-style-type: none"> I am a spouse or non-spouse beneficiary of a participant who died <i>after</i> his/her required beginning date 	<ul style="list-style-type: none"> You are required to receive a RMD by December 31 of the year of the first anniversary of the participant's death
<ul style="list-style-type: none"> I am a spouse beneficiary of a participant who died <i>before</i> his/her required beginning date 	<ul style="list-style-type: none"> You may elect to receive a RMD by December 31 of the year of the first anniversary of the participant's death; however, you can delay the distribution until December 31 of the year the participant would have turned age 70 ½
<ul style="list-style-type: none"> I am a non-spouse beneficiary of a participant who died <i>before</i> his/her required beginning date 	<ul style="list-style-type: none"> You are required to receive a full distribution of the participant's account by December 31 of the year of the fifth anniversary of the participant's death, unless you begin taking distributions over your own life expectancy by December 31 of the first anniversary of the participant's death
<ul style="list-style-type: none"> I am an active participant and, I am not a 5% owner and, I have not been a 5% owner since attaining 70 ½ I have attained age 70 ½ 	<ul style="list-style-type: none"> You are required to receive a RMD distribution by April 1 following the end of the calendar in which you retire or separate from service.

* A 5% owner is one who owns more than 5% of Company stock or business interest; or a spouse, child, grandparent or parent of a 5% owner. Ownership is determined as of the plan year ending in the calendar year the participant attains age 70 ½. Ownership, for the purposes of Required Minimum Distribution requirements, will always apply when ownership is retained at or beyond age 70 ½. This is not applicable to governmental plans; 403(b) and 457(b) plans do not have 5% owners.

When must I take annual RMDs?

After you receive your first RMD, annual RMDs must be processed by December 31 of each calendar year.

What if I do not meet the Required Minimum Distribution rules?

Failure to meet the RMD requirements may result in a 50% Federal excise tax payable to the IRS by you. This tax is applied to the amount by which the RMD exceeds the amount you actually received (if any). To report and pay the federal excise tax due, you will need to file an IRS Form 5329. File this form with your IRS 1040 Form.

How is the RMD calculated?

Your RMD amount is determined by applying a distribution period set by the IRS to your account balance at the end of the previous year. To calculate your RMD:

- Find your age in the IRS Uniform Life Table (Excerpt of Table included on next page. For additional factors, refer to IRS Publication 590)
- Locate the corresponding distribution period
- Divide your retirement account balance as of December 31 of the prior year by your distribution period

Note: If your spouse is more than ten years younger than you and is the sole primary beneficiary, you must use the Joint Life and Last Survivor Expectancy Table. You can find this table in IRS Publication 590, which is available on the IRS website at www.irs.gov.

Excerpt From IRS Uniform Lifetime Table							
Age	Distribution Period	Age	Distribution Period	Age	Distribution Period	Age	Distribution Period
70	27.4	80	18.7	90	11.4	100	6.3
71	26.5	81	17.9	91	10.8	101	5.9
72	25.6	82	17.1	92	10.2	102	5.5
73	24.7	83	16.3	93	9.6	103	5.2
74	23.8	84	15.5	94	9.1	104	4.9
75	22.9	85	14.8	95	8.6	105	4.5
76	22.0	86	14.1	96	8.1	106	4.2
77	21.2	87	13.4	97	7.6	107	3.9
78	20.3	88	12.7	98	7.1	108	3.7
79	19.5	89	12.0	99	6.7	109	3.4

How will a withdrawal during the year affect my RMD?

Any taxable cash payment(s) withdrawn from your plan during the year will be applied to your RMD payment. For instance, if your 2014 RMD payment is supposed to be \$5,000, and you take \$2,000 in withdrawals during the year, you will be required to take an additional \$3,000.

What if I have multiple accounts?

If you participate in more than one qualified plan (i.e. 401(k), 457(b), etc.), your RMDs must be calculated separately and distributed separately from each plan. You may not satisfy RMDs for multiple plans from one plan account.

What are my tax considerations?

- 10% tax withholding will be applied to your RMD (unless you elect no, or additional, withholding on this amount).
- If federal tax is withheld, your state may also require state tax be withheld.
- Withholding is for pre-payment of federal (or state) income tax. You may be subject to additional federal and/or state taxes.
- Your RMD cannot be rolled over.
- If your address is outside of the United States, a Citizenship Statement and W8-BEN (if applicable) are required to be submitted with your RMD Election Form. If these forms are not received, MassMutual will withhold 30% towards taxes from your payment.

For additional tax information, read the enclosed Special Tax Notice and State Tax Information documents.

"Tax Year" on the Required Minimum Distribution (RMD) Election Form refers to the taxable year this RMD is attributable to:

- If this is your initial RMD because you turned 70 1/2 during the prior year but decided to defer the RMD distribution to April 1, of the current year, the applicable "Tax Year" is the prior year.
- If this withdrawal is one that you are required to take this year other than the above special situation for initial RMD recipients, the applicable "Tax Year" is the current year.
- **Note:** Those participants, who deferred their initial RMD, will also be required to take a second RMD during the current year that is attributable to the current "Tax Year". A separate election form will be required for this RMD. Since both the initial and second RMD are actually paid to you during the current year, you will be taxed on both RMD's for the current tax year.

How will MassMutual process my RMD?

- If you have not satisfied your 2014 RMD by December 1, 2014, MassMutual will automatically process your RMD by December 31, 2014.
- We will use the IRS Uniform Lifetime table and withhold 10% towards Federal tax and any required state withholding unless you contact us at 1-800-743-5274 and make an alternate election before December 1, 2014.
- If you are currently receiving installment payments, MassMutual will process the remaining RMD amount (if applicable) after your last installment payment for the 2014 year is processed in the event you do not return a form. If you choose to return a form, your distribution will be processed as soon as administratively feasible following receipt of your form. Future scheduled payments will not be taken into consideration.
- If your plan uses annuity as a normal form benefit, you will be required to submit a completed form with spousal consent before MassMutual may process your Required Minimum Distribution. These distributions will not be completed automatically.
- A processing fee may be deducted for each distribution processed.

Next steps

- Determine if you are due a RMD after reviewing this document
- Complete the enclosed Required Minimum Distribution (RMD) Election Form
- Return form to MassMutual at least 30 days prior to your distribution deadline:
Mail: MassMutual Retirement Services; PO Box 219062; Kansas City, MO 64121-9062
Overnight Delivery: MassMutual Retirement Services; 430 W 7th Street; Kansas City, MO 64105
Fax: 1-816-701-8005
Email: rscsoprocessing@massmutual.com
- If you have any additional questions, please contact MassMutual at 1-800-743-5274

Your retirement planning decisions are based on your personal situation. You may want to consult with your investment or tax advisor.

The information contained in this overview is not intended or written as specific legal or tax advice and may not be relied on for purposes of avoiding any federal tax penalties. Neither MassMutual nor any of its employees or representatives is authorized to give legal or tax advice. You must rely on the advice of your own independent tax counsel.