



GUIDING YOU THROUGH

REQUIRED MINIMUM DISTRIBUTIONS

(RMDs)

LET'S TALK RMDs

People often associate certain ages with life milestones: You can drive at age 16, vote at age 18, rent a car at age 25, claim Social Security as early as age 62 and sign up for Medicare at age 65.

Add age 73 as one of those milestones because it is the age at which investors must start receiving distributions from most tax-deferred retirement plans. These withdrawals are termed “required minimum distributions”, or “RMDs”.

If you have an employer-sponsored retirement plan (including 401(k) and 403(b) plans) or a Traditional* IRA, you will be required to take an RMD.

As a service to you, GuideStone® provides timely correspondence related to RMD amounts and distributions. If the RMD isn't taken by the deadline, GuideStone automatically distributes the RMD from your 403(b) or 401(k) account to ensure you avoid the IRS-implemented 25% tax penalty.

*Unless otherwise noted, all referenced IRAs are Traditional IRAs.

PREPARE FOR YOUR FIRST RMD

Generally, you must take your first RMD by April 1 of the year following the year in which you turned age 73.

Certain employer-sponsored retirement plans (such as 401(k) and 403(b) plans) will allow you to delay RMDs until you retire from the employer that sponsors the plan. **It is important to note that IRAs do not have this option.**

KNOW YOUR OPTIONS

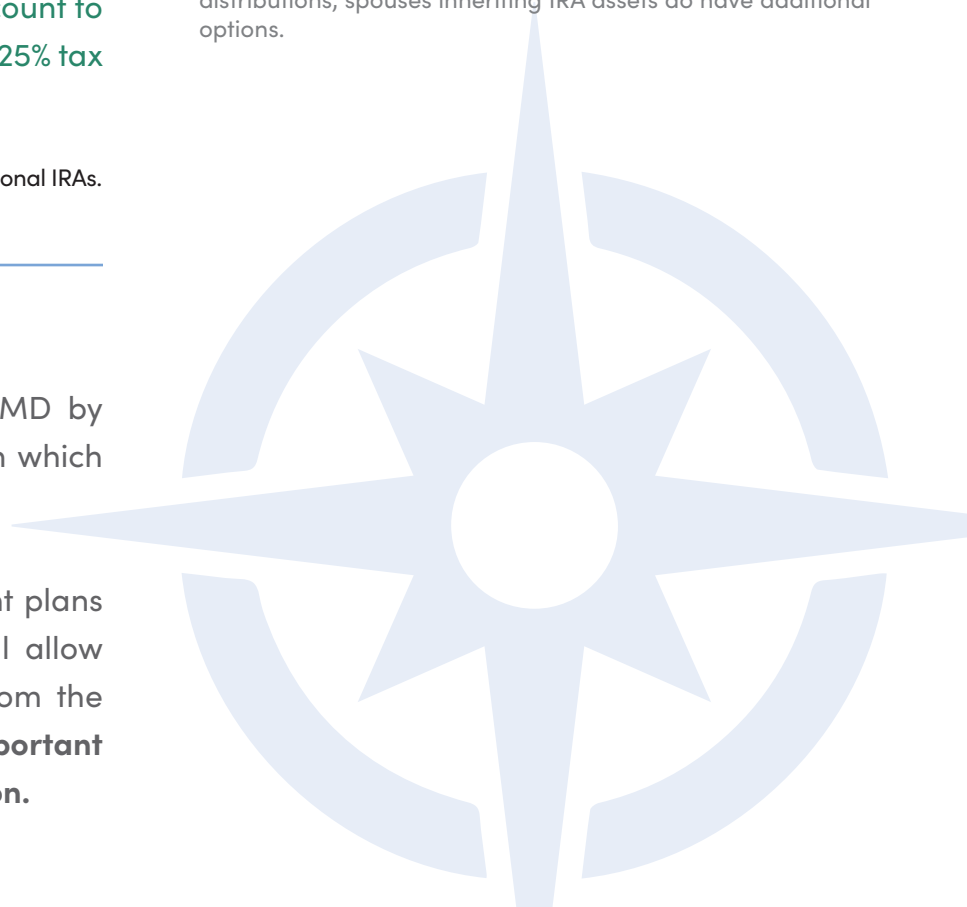
You have two time frame options for your first RMD:

1. You can take your first distribution between January 1 and December 31 of the year you reach age 73.

OR

2. You can take your first distribution between January 1 and April 1 of the year following the year you reached age 73, but you must also take the second required distribution by December 31 of that year – resulting in two distributions in the same year. This might not be a favorable approach from an income tax perspective.

Note: All distributions except for the first one have a deadline of December 31 each year. Regardless of your age, it is important to note that inherited IRAs also are subject to RMDs as they are based on the age of the deceased account holder. Even if you are under age 73, you must take any RMDs that are due. While non-spouse beneficiaries cannot delay taking these distributions, spouses inheriting IRA assets do have additional options.



CALCULATE YOUR RMD VALUE

RMDs are determined by dividing the value of your accounts subject to RMDs as of December 31 of the preceding year by the distribution period that corresponds to your age in the appropriate IRS table. (*Uniform Lifetime Table* shown below for illustrative purposes; exceptions may apply.)

Uniform Lifetime Table, Table III

Age	Divisor	Age	Divisor
72	27.4	97	7.8
73	26.5	98	7.3
74	25.5	99	6.8
75	24.6	100	6.4
76	23.7	101	6.0
77	22.9	102	5.6
78	22.0	103	5.2
79	21.1	104	4.9
80	20.2	105	4.6
81	19.4	106	4.3
82	18.5	107	4.1
83	17.7	108	3.9
84	16.8	109	3.7
85	16.0	110	3.5
86	15.2	111	3.4
87	14.4	112	3.3
88	13.7	113	3.1
89	12.9	114	3.0
90	12.2	115	2.9
91	11.5	116	2.8
92	10.8	117	2.7
93	10.1	118	2.5
94	9.5	119	2.3
95	8.9	120 and over	2.0
96	8.4		

Source: [IRS.gov/Publications/p590b](https://www.irs.gov/Publications/p590b)

QUICK FACT: For GuideStone retirement plans, including 403(b) and 401(k) plans, GuideStone calculates your RMD for you.

One common exception to the values in the table above is the calculation method for beneficiaries who assume secondary ownership of employer-sponsored plans. These RMD amounts for beneficiaries are calculated, if needed, using the *Single Life Expectancy Table I* – available at [IRS.gov/Publications/p590b](https://www.irs.gov/Publications/p590b) at the beginning of Appendix B.

UNDERSTAND RMD TAX IMPLICATIONS

RMDs are subject to federal income tax and in some cases may also be subject to state taxes. Distributions from after-tax contributions may not be taxable. Individuals who fail to meet RMD deadlines will be subject to a 25% tax penalty.

For example, an individual who is required to take a \$3,000 RMD, but fails to do so, will owe the IRS an additional \$750. The IRS may waive late or missed RMD penalties if the account owner establishes the shortfall in distributions was due to reasonable error and steps are taken to remedy this error by filing *Form 5329*. Otherwise, failing to meet tax responsibilities comes with a price.

MANAGE RMDs

If you have more than one IRA, you must calculate the RMD for each IRA separately for each given year. However, you may aggregate your RMD amounts for all of your IRAs and withdraw the total from one IRA or a portion from each of your IRAs. You do not have to take a separate RMD from each IRA (unless you have your own and an inherited IRA).

If you have more than one employer-sponsored retirement plan (such as a 401(k) or 403(b)), you must calculate and satisfy your RMDs separately for each plan and withdraw that amount from that plan. (While like plans can be aggregated, 403(b) and IRA RMDs cannot be combined. However, there are exceptions that allow aggregation for certain 403(b) plans.)

QUICK FACT: It is important to note that Roth IRAs do not have RMDs, but Roth accumulations within an employer-sponsored retirement plan are subject to RMD rules. And remember, Roth IRA assets of non-spouse inheritors are also subject to RMDs.

SELECT YOUR DISTRIBUTION OPTION

RMDs may be paid either in installments or as a lump sum. Installments may be paid over your lifetime or according to the joint life and last survivor expectancy of you and your designated beneficiary.

Your retirement income is not taxed until the money is distributed to you. Distributions are taxable as ordinary income when received except for any distribution representing non-deducted contributions or returns of excess contributions or those designated by ministers as housing allowance.

REINVEST YOUR RMD

If you do not need to put your RMD toward current retirement expenses, keep your funds invested! Reinvesting your RMD into a GuideStone investment account is a great option to potentially strengthen your future financial goals.

Plus, by investing in GuideStone's offering of faith-based mutual funds, you will be able to continue investing in line with your values.

Need help with your RMD?

Contact GuideStone today to learn more about RMD rules and regulations at **1-888-98-GUIDE** (1-888-984-8433) between 7 a.m. and 6 p.m. CT, Monday through Friday.

You should carefully consider the investment objectives, risks, charges and expenses of the GuideStone Funds® before investing. A prospectus with this and other information about the Funds may be obtained by calling 1-888-GS-FUNDS (1-888-473-8637) or downloading one at [GuideStoneFunds.com/Funds](https://www.GuideStoneFunds.com/Funds). It should be read carefully before investing.

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