



Required Distributions from Your TRS TDA Account

Each year, TRS contacts members aged 70½ or older who must receive a distribution from their Tax-Deferred Annuity Program account. The notification packet for this “Required Minimum Distribution,” or RMD, is normally mailed in mid-April. It contains a detailed letter showing the RMD amount and an “RMD Election Form” (code TD39). Here’s what you need to know.

What are the key dates to remember?

- If you file no election with TRS, TRS will issue you an RMD payment on December 31, 2019 that meets the IRS’ distribution requirements.
- You can receive your RMD payment earlier by completing a secure online election or by filing the paper form with TRS. The filing deadline is October 31, 2019.
- As a first-time RMD recipient, you may choose to receive your 2019 RMD payment as late as April 1, 2020. (You’ll also need to receive an RMD for 2020 during 2020.)

How can I meet my RMD requirements?

You can elect how to meet the distribution requirements online or via the paper form:

- You can receive direct payment from TRS in the amount of the RMD.
- You can receive payment from a different Section 403(b) Plan, if you have one.
- You can annuitize your entire TDA balance.

RMD payments from TRS are first deducted from your investments in the Fixed Return Fund. If there is no Fixed Return balance remaining, then your other Passport Fund balances are reduced (in proportion to their balances).

What balance is used to calculate my RMD amount?

- *If you will be at least 70½ (but not yet 75) in 2019:* Your RMD amount is based on your year-end TDA balance minus any Pre-1987 TDA Funds. Pre-1987 Funds are shown on your TDA Quarterly Statements as “Amount Subject to Distribution Requirements at Age 75.”
- *If you will be 75 or older in 2019:* Your RMD amount is based on your entire TDA balance at the end of 2018.
- A life-expectancy factor is also applied each year to determine the amount that must be distributed.

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What happens with RMD requirements when I die?

- When a member dies, the beneficiary may elect to establish a TDA Beneficiary (TDAB) account with TRS. In this case, the RMDs will be distributed from the TDAB account.
 - After the first year, the annual RMD will be based on the life expectancy of the member or the beneficiary, whichever is greater (longer).
- *Note for spouse beneficiaries:* Spouses may elect to roll over the TDA account to an outside IRA in their own name. Requirements for annual distributions will be based on the spouse's age. Spouses may also elect to roll over the TDA account into an "Inherited IRA." Annual required distributions will continue based on the life expectancy of the member or the beneficiary, whichever is greater (longer).
- *Note for non-spouse beneficiaries:* Beneficiaries may elect to roll their funds into an outside "Inherited IRA." Annual required distributions will continue based on the life expectancy of the member or the beneficiary, whichever is greater (longer).

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