



# All you need to know about your RMD

Required Minimum Distribution (RMD) Guide



You have recently learned that, in accordance with federal tax law, you must start taking an annual minimum withdrawal from your retirement account after you reach the age of 70½. Below are answers to questions you may have regarding your RMD.

## What is a Required Minimum Distribution (RMD)?

An RMD is a taxable distribution that usually must be taken from your retirement account no later than April 1 of the calendar year after the calendar year you turn age 70½. A distribution must then be taken at least once annually every year after that, no later than December 31. This is required by the Internal Revenue Code.

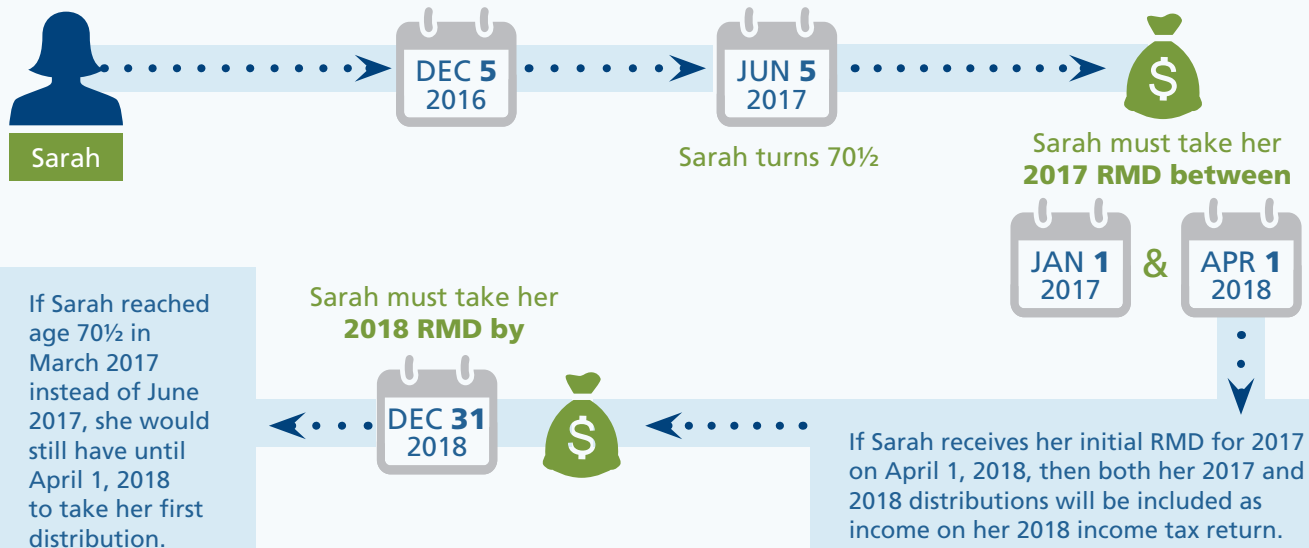
## What if I'm still working?

For qualified employer-sponsored retirement plans, you are required to take your first RMD by April 1 of the calendar year following the later of **a. the calendar year in which you reach age 70½, or b. the calendar year you cease to work for the employer who sponsors the plan.** However, an employee who owns at least a 5% interest in that employer must begin distributions no later than April 1 of the calendar year following the year the employee reaches age 70½.

For IRAs, you must take your first RMD by April 1 of the calendar year after the year you have turned 70½, regardless of whether you are still employed.

### For example:

Sarah's 70th birthday is December 5, 2016.



Please refer to [www.irs.gov](http://www.irs.gov) for RMD rules and examples for specific IRAs and defined contribution plans.

## What happens if I do not take an annual RMD or mistakenly take less than my RMD?

If you fail to take your RMD, you may be subject to an excise tax equal to 50% of the amount that should have been distributed but was not.

The Internal Revenue Service (IRS) may waive the excise tax if you establish that you did not take your full RMD due to a reasonable error and that reasonable steps are being taken to withdraw the full amount required. To request a waiver of the excise tax, you must file IRS Form 5329 with your income tax return and attach a letter of explanation (instructions may be found at [www.irs.gov](http://www.irs.gov)). Please consult with your own tax professional for guidelines specific to your situation.

## What if I do not need the money from my account?

Regardless of whether you want or need the money, federal tax law requires an annual distribution.

## Do I have to take the RMD every year?

Yes. RMDs must be withdrawn every year after you reach age 70½ or, in the case of an employer-sponsored retirement plan, after you stop working for that employer if later.

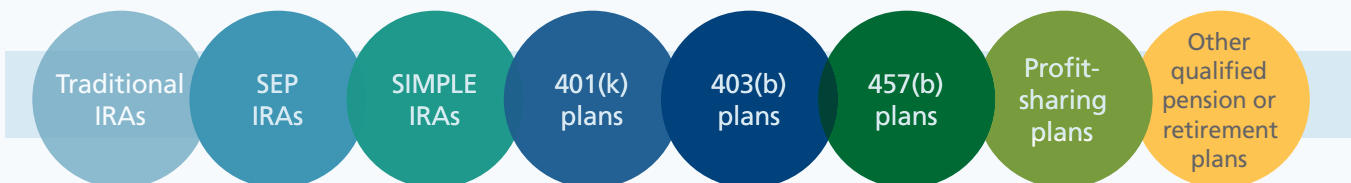
## Can I take more than the RMD?

Sure! You can withdraw more than the annual RMD if there are sufficient funds in your account. Please note any amount taken that is over the RMD for that year will not count towards the amount required to be distributed in subsequent years. Remember, the more you take now, the less you will have available to you for future living expenses. Also, if you plan to withdraw more than your RMD, first verify whether taking more than the RMD for an account would affect any guarantees or benefits that account might otherwise provide.

Also note that while an RMD is calculated on an annual basis, you may choose to receive distributions on a monthly, quarterly or semiannual basis, as long as you take the full amount required each year.

## What types of retirement accounts have an RMD?

A RMD applies to most types of retirement plans, including, but not limited to:



*Please note that RMDs are not required from Roth IRAs during the owner's life but the beneficiary must take RMDs after the death of the owner.*

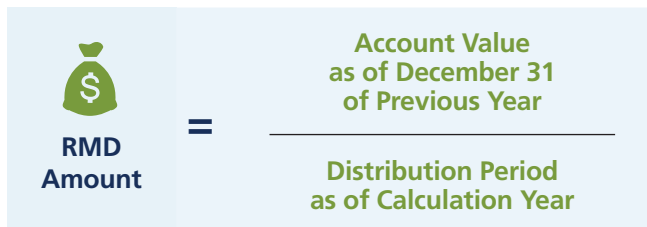
Source: [www.irs.gov](http://www.irs.gov)

## What if I have more than one retirement account?

You must calculate the RMD for each account you hold. However, depending on the types of accounts you hold, you may have some flexibility in deciding from which account(s) to withdraw the total RMD amount in any given year. For example, if you have two traditional IRAs, a SEP IRA and a 403(b), you can calculate and total the RMD amount for each IRA and have the option to take that total amount out of just one of your three IRA accounts or from any combination of your three IRA accounts. The calculated RMD for your 403(b) can only be taken from the 403(b). Please note that you cannot aggregate an Inherited IRA with your own IRAs. In addition, if you are a participant in more than one employer-sponsored qualified plan, you must take your RMDs from each plan.

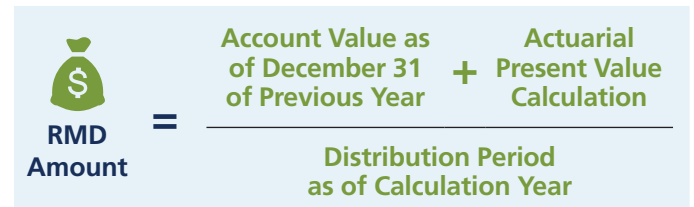
## How is my RMD calculated?

Your RMD varies by year and is calculated by dividing your account value as of December 31 of the previous year by your life expectancy distribution period as of the calculation year (please refer to the next page to see how your distribution period is determined).


$$\text{RMD Amount} = \frac{\text{Account Value as of December 31 of Previous Year}}{\text{Distribution Period as of Calculation Year}}$$

## How does my RMD calculation vary with an annuity?

On occasion, an Actuarial Present Value (APV) calculation may be added to your account value to determine the RMD. Required by federal regulations, the APV takes into account riders or other benefits that are not included in the contract value, which may include living benefits, withdrawal benefits, and some death benefits. John Hancock takes the future value of those benefits and converts it into today's dollar amount, based on factors such as projected mortality, lapse and interest rates.


$$\text{RMD Amount} = \frac{\text{Account Value as of December 31 of Previous Year} + \text{Actuarial Present Value Calculation}}{\text{Distribution Period as of Calculation Year}}$$

## What taxes apply to my RMD?

RMDs are generally subject to federal income tax and applicable state income tax. However, if your account holds after-tax contributions, part of your RMD will be treated as a non-taxable return on a portion of those contributions. Please consult with your own tax professional for guidelines specific to your situation.

## Can I choose to direct my IRA RMD to a charity?

Subject to applicable tax rules, you may make qualified/non-taxable charitable distributions directly from your IRA to a charitable organization while also satisfying your RMD. Please consult with your own tax professional for guidelines specific to your situation.

## What is my best option for taking my RMD?

We are not permitted to offer advice or recommendations regarding your RMD options. Please consult with your own tax professional.

## How is my life expectancy distribution period determined?

Your distribution period may be sourced from the IRS's "Uniform Lifetime Table," which is also shown below.

*A separate table is used if the sole beneficiary of your retirement account is your spouse who is 10 or more years younger than you. This distribution period is sourced by finding the distribution period at the intersection of your ages on the IRS's "Joint Life and Last Survivor Expectancy Table," which may be found at [www.irs.gov](http://www.irs.gov).*

The IRS periodically updates these tables. Please check to ensure you are using the most current version.

Uniform Lifetime Table							
Age	Distribution Period	Age	Distribution Period	Age	Distribution Period	Age	Distribution Period
70	27.4	82	17.1	94	9.1	106	4.2
71	26.5	83	16.3	95	8.6	107	3.9
72	25.6	84	15.5	96	8.1	108	3.7
73	24.7	85	14.8	97	7.6	109	3.4
74	23.8	86	14.1	98	7.1	110	3.1
75	22.9	87	13.4	99	6.7	111	2.9
76	22.0	88	12.7	100	6.3	112	2.6
77	21.2	89	12.0	101	5.9	113	2.4
78	20.3	90	11.4	102	5.5	114	2.1
79	19.5	91	10.8	103	5.2	115 and over	1.9
80	18.7	92	10.2	104	4.9		
81	17.9	93	9.6	105	4.5		

### Examples:

Uniform Lifetime	
Account balance as of 12/31 of previous year:	\$100,000.00
Your age:	70
Distribution period	27.4
Required Minimum Distribution:	$\frac{\$100,000.00}{27.4} = \$3,694.63$

Joint Life and Last Survivor (see table at <a href="http://www.irs.gov">www.irs.gov</a> )	
Account balance as of 12/31 of previous year:	\$100,000.00
Your age:	70      Spouse Age: 55
Distribution period	31.1
Required Minimum Distribution:	$\frac{\$100,000.00}{31.1} = \$3,215.43$



# How can John Hancock help?

## Go online

Log in or register at [www.jhannuities.com](http://www.jhannuities.com). If you are a client, once logged in click the **My Contracts** tab and scroll down to find your **RMD information**.

The screenshot shows the 'My Contracts' tab selected in the top navigation bar. Below it, the 'My Preferences' menu is visible. The main content area displays 'Contract Quick View' for contract 12345678, with a value of \$65,432.10 as of 12/30/2016. Below this, the 'Req Minimum Distribution' section is highlighted with a green circle. It lists the following information:

Current Year Required Minimum Distribution:	\$2,174.13
Remaining Current Year Required Minimum Distribution Amount:	\$0.00
Prior Year Required Minimum Distribution:	\$2,212.46
Next Withdrawal:	05/05/2017
Frequency:	Annually
Federal Tax Withheld:	0.00%
State Tax Withheld:	4.25%

Below this is a 'COLLAPSE DETAILS' section with further information:

Previous Year End (12/31) Value:	\$32,402.93
Life Expectancy Factor:	15.5
Benefit Reduction Type:	All Dollar-for-Dollar
Previous Year (12/31) Combined Account and Actuarial Present Values:	\$33,699.05
APV of Additional Benefits Adjustment Amount:	\$0.00
Prior Year APV of Additional Benefits Adjustment Amount:	\$0.00
Initial RMD Date:	12/27/2006
RMD Override Amount:	\$0.00

If you are a financial representative, click the **View Contract List** link under the **Activity Center** and select individual contracts to view or click **Download Contract List Summary Report** to export your entire book of business to an excel spreadsheet.

The screenshot shows the 'Activity Center' tab selected in the top navigation bar. Below it, the 'My Recent Activity' section is visible. The main content area displays 'CONTRACT LIST & REPORTS'. The 'Download Contract List Summary Report' link is highlighted with a green circle. Below this is a table of contracts:

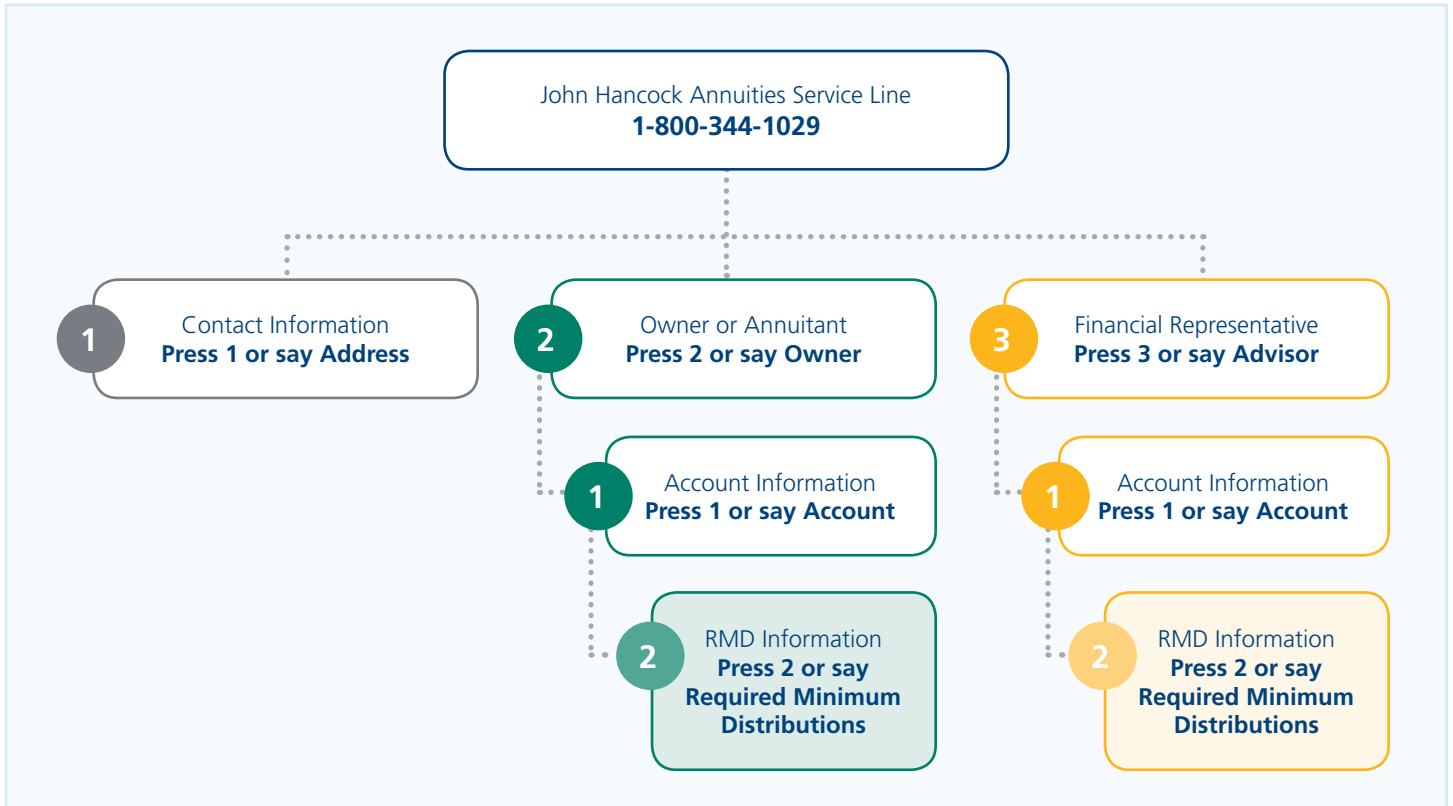
Owner Name	Annuitant	Product Name	Auto RMD	Living Benefit	Contract	Account Status	Inception Date	Value
NCBWXXQ ARLKZ	NCBWXXQ ARLKZ	Venture Trail	N/A	GRIP2	1234567	Active	09/27/2001	\$38,989.66
PSOASG T BAINXXVEXK	PSOASG T BAINXXVEXK	Venture Vantage No Trail	N/A	PPL	7654321	Active	03/21/2006	\$283,003.61

Need to schedule an RMD? Submit your request entirely online. Click the Forms Tab, find the **Required Minimum Distribution Request** form on the list and click the green **Submit Online** button.

The screenshot shows the 'Required Minimum Distribution Request Form' page. The 'Submit Online' button is highlighted with a green circle. The text on the page reads: "Use this form to request that John Hancock calculate and make a one-time withdrawal or schedule recurring automatic withdrawals from an annuity contract to satisfy an IRS Required Minimum Distribution (RMD). (New Medallion Signature Guarantee (MSG) Requirement. See form for details.)"

## Call us

Call our automated service line at 1-800-344-1029 and press 2 if you are an owner or annuitant or press 3 if you are a financial representative. Then press 1 for account information followed by 2 for RMD information. You can press 0 at any time to speak to a representative.



For any question please call 1-800-344-1029 Monday through Friday, 8 a.m. – 6 p.m. Eastern Time



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