REQUIRED MINIMUM DISTRIBUTIONS OPTIONS

1) YOU NEED THE MONEY FROM THE ANNUAL RMD TO LIVE ON
A) Withdraw when market is high -- keep IRA as large as possible; or
B) Dollar cost average -- set up automatic periodic withdrawals

2) YOU DON'T NEED THE MONEY FROM THE ANNUAL RMD TO LIVE ON
A) Best to transfer to taxable brokage account at low market price to reduce number shares determining next year's RMD

EXAMPLES (in your IRA):

End of 2010 you owned 5,000 Shares of "X" mutual fund

Value per share $100: Total Value	**$500,000**
Your age is 72 -- Uniform Lifetime Table Divisor: 25.6	
Your 2011 RMD is	**$19,531**

Sell from your IRA at <u>low</u> market @$75 per shr	**260.4 Shares**
Balance shares at the end of 2011	**4,739.6 Shares**
Value per share at end of 2011 is $110	**$521,354 Value**
RMD Divisor for age 73: 24.7	
Your RMD for 2012 is	**$21,107**

Sell from your IRA at <u>high</u> market @$120 per shr	**162.8 Shares**
Balance shares at the end of 2011	**4,837.2 Shares**
Value per share at end of 2011 is $110	**$532,096 Value**
RMD Divisor for age 73: 24.7	
Your RMD for 2012 is	**$21,542**

Low vs. High:	**Difference # Shares at end 2011**	**97.7 Fewer**
	2012 RMD Difference	**$435 Lower**

NOTE: RMD withdrawals are taxed at 100% income rate
Amount transferred into brokage account which future capital gains are taxed at 15% (at least this year)

Amount future gains in IRA taxed at 100% income rate