

Required Minimum Distributions (RMDs)

Need to take an RMD this year?

While it may seem like you've got a lot of time, the deadline will arrive quickly.

The key to avoiding delays (and extra stress) is to plan ahead – especially if your IRA holds illiquid, alternative assets that cannot be easily sold or exchanged for cash. Illiquid, alternative assets require additional time to liquidate or you may need to take a distribution in-kind if the asset cannot be liquidated. A distribution in-kind is a payment made in the form of securities or other property rather than in cash.

RMD Helpful Hints

Illiquid Assets

- Private Equity/Debt
- Real Estate
- Hedge Funds



Liquid Assets

- Cash
- Public Stock
- Mutual Funds



If you own **private stock** in your IRA that cannot be sold for cash, a distribution in-kind would allow you to take your distribution in the form of shares of the private company stock rather than cash. The shares equal or greater than the value of your RMD will be re-titled to you individually and the value of those shares will be reported to you on IRS form 1099-R.



If your IRA owns **real estate**, rather than being forced to sell the property you can take a distribution in-kind by requesting that a percentage of the property — representing an amount of equal value to your RMD — be deeded to you individually. This means your IRA will own part of the property and you will own the percentage that has been distributed.



If your IRA is invested in a **hedge fund** or **private equity**, it's important to note that withdrawals may only be allowed at certain times — like quarterly or bi-annually — so timing should be considered.

As always, we encourage IRA owners to consult with a qualified tax advisor before initiating any transactions. A tax advisor can review your options and help you make the best decision possible.

For more information, visit us at mtrustcompany.com or call us at 800.258.7878

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If you're 72* or over	
RMD form must be sent to Millennium Trust	Distribution must be taken
December 1	December 31**

* With the SECURE Act signed into law in December 2019, the RMD age increased from 70 ½ to 72, effective Jan. 1, 2020. **Please Note:** If you turned 70 ½ on or before Dec. 31, 2019 (i.e., you were born on or before June 30, 1949), you are required to begin or continue taking your RMD since you turned 70 ½ before the SECURE Act went into effect. The CARES Act provides additional RMD relief. Consult your tax advisor

** April 1 if it's your first RMD and you've elected to wait until April of the year following the year in which you reached the age requiring an RMD to fulfill your first year RMD (RMD form must be sent to Millennium Trust by March 1)