



Update

---

# RMD Update: IRS Changes to the Rules

STEVE VERNON, FSA

Updated December 2020

 **Rest-of-Life Communications**  
Oxnard, California

## Update

---

# RMD Update: IRS Changes to the Rules

As described in Chapter 3 of *Don't Go Broke in Retirement*, in late 2019, the IRS proposed changes to the withdrawal percentages that apply to the required minimum distribution (RMD) rules. As proposed, the updated rules would have applied to all withdrawals made from January 2021 forward. At the time the IRS proposed the rules, they expected to finalize and approve the new regulations in early 2020.

However, the COVID-19 pandemic delayed finalization of these regulations. The IRS eventually finalized and approved these regulations in November 2020; they will go into effect and apply to all withdrawals as of January 2022. The current RMD withdrawal percentages will continue to apply for 2020 and 2021.

To reflect these final regulations, we updated *Don't Go Broke in Retirement* in late December 2020. This note describes the differences between the versions of the book before and after the revisions.

### **The version before revisions**

In the pre-December 2020 version of *Don't Go Broke in Retirement*, Table 3.1 in Chapter 3 compared the withdrawal percentages under the current rules and under the proposed regulations. The attached revised Table 3.1 compares the withdrawal percentages under the current rules and under the final regulations that apply in 2022 and thereafter.

If you purchased the book before we made the revisions, you can print out and use the attached Table 3.1 for your planning. In this case, the examples using the RMD methodology shown in Chapters 3, 6, 8, 12 and 13 will be slightly different compared to the examples in the updated version of the book. However, there's been no change in the planning concepts that these examples illustrate.

### **How the revised version of the book has changed**

If you purchased the book after we made the revisions, about half of the withdrawal rates under the new RMD rules as shown in Table 3.1 changed slightly compared to the previous version of the book.

These minor changes were caused by rounding issues that occurred when calculating the withdrawal percentages. As a result, the RMD withdrawal percentages in Table 3.1 and the examples throughout the book changed slightly in the revised version of the book.

### **Planning issues**

The minor changes to the RMD rules under the final IRS regulations haven't changed the viability of the *Spend Safely in Retirement Strategy* at all. The post-2022 withdrawal percentages will produce slightly smaller annual withdrawal amounts compared to the pre-2022 withdrawal percentages, but that should not affect your retirement income strategy.

A key note: If you want to use the current RMD withdrawal percentages in 2022 and thereafter to determine how much money you should withdraw from your retirement accounts, you have that option. The pre-2022 RMD withdrawal percentages will produce slightly higher withdrawal amounts than the minimum amounts that will apply in 2022 and thereafter. As a result, by using the pre-2022 numbers, you wouldn't incur any IRS penalties because your withdrawal amounts would be higher than what's actually required.

## ALSO BY STEVE VERNON

*Don't Go Broke in Retirement: A Simple Plan to Build Lifetime Retirement Income*

*Retirement Game-Changers: Strategies for a Healthy, Financially Secure, and Fulfilling Long Life*

*Money for Life: Turn Your IRA and 401(k) Into a Lifetime Retirement Paycheck*

*Recession-Proof Your Retirement Years: Simple Retirement Planning Strategies That Work Through Thick or Thin*

*The Quest: For Long Life, Health and Prosperity (DVD/workbook set)*

*Live Long and Prosper! Invest in Your Happiness, Health and Wealth for Retirement and Beyond*

*Don't Work Forever! Simple Steps Baby Boomers Must Take to Ever Retire*

For bulk purchases of *Don't Go Broke in Retirement*, *Retirement Game-Changers*, *Money for Life*, *Recession-Proof Your Retirement Years*, or *The Quest* DVD, please email [steve.vernon@restoflife.com](mailto:steve.vernon@restoflife.com).

---

Copyright © 2020 Steve Vernon/*Rest-of-Life* Communications. All rights reserved. Unauthorized copying of any type is prohibited by law without the prior written permission of the author. Requests for permission should be addressed to [steve.vernon@restoflife.com](mailto:steve.vernon@restoflife.com).

Limit of liability/disclaimer of warranty: The information contained in *Don't Go Broke in Retirement* is based on the research and personal and professional experiences of the author as of the date of publication. While the author has used his best efforts in preparing this book, the author makes no representations or warranty with respect to the accuracy or completeness of the contents of *Don't Go Broke in Retirement*. It is not intended as a substitute for consulting with financial professionals. The author shall not be liable for any loss or negative outcomes, including but not limited to poor investment experience and outliving your financial resources. While the book mentions various financial institutions and their products, this is merely to provide examples and help you get started. These are not recommendations, and the author takes no responsibilities for your outcomes should you select these institutions or their products. You need to make your own investigations and decisions regarding retirement income solutions, financial institutions and their products. If you cannot agree to the above, then please do not read any further. Your continued reading of this book is your acknowledgment and agreement to hold harmless everyone connected with the publication and distribution of *Don't Go Broke in Retirement*. Thank you!

For more information:

*Rest-of-Life* Communications: [www.restoflife.com](http://www.restoflife.com)

Project management: Markman Editorial Services, [www.MarlaMarkman.com](http://www.MarlaMarkman.com)

Design: Lisa Winger, WinBach Marketing Images, [www.winbach.com](http://www.winbach.com)