



2026 Fact Sheet: Required Minimum Distributions 457(b) Plan

This fact sheet explains Pension Fund's policies and procedures for calculating and distributing required minimum distributions (RMDs) to participants in a 457(b) Plan administered by Pension Fund that permits or requires participants to receive distributions in the form of an RMD. Retirement plans like the 457(b) Plan are required to comply with the RMD rules under Section 401(a)(9) of the Internal Revenue Code.

GENERAL INFORMATION

Federal law requires 457(b) Plan participants who have retired or separated from service to begin receiving distributions from their account in certain minimum amounts by specified dates. These minimum amounts are calculated based on your life expectancy and are referred to as "required minimum distributions" or "RMDs".

If you are a 457(b) Plan participant, you must begin receiving RMDs by April 1 of the calendar year following the later of –

- the calendar year in which you reach either age 73 (if you were born before 1960) or age 75 (if you were born after 1959), or
- the calendar year in which you retire or separate from service with your employer.

Although your first RMD can be delayed until April 1 of the next calendar year, each subsequent RMD must be paid by December 31 of that year. Therefore, if 2026 is your first year for an RMD, the payment can be delayed until April 1, 2027, but then you must also receive your second RMD by December 31, 2027, to satisfy the RMD requirement for 2027. After your first RMD, you must receive an RMD by the end of each year until your entire account balance has been distributed, *even if you return to work in a paid position*.

If you do not receive a distribution that satisfies these minimum requirements, you must pay a nondeductible 25% penalty tax on the amount that you should have, but did not, receive (a reduced penalty tax of 10% applies for late RMDs that are made within two years of the due date). It is your responsibility to make certain that an RMD is timely distributed to you.

Application of RMD Rules to Your 457(b) Plan Benefits

The terms of your 457(b) Plan and your distribution election (or defaulted election) will determine when you will receive a distribution of your 457(b) Plan account and in what form. All distributions from the Plan are designed to comply with the RMD rules and could occur earlier and in larger amounts than the minimum requirements described here.

Pension Fund will calculate RMDs under the 457(b) Plan for you if **both** of the following are true:

- (1) Your 457(b) Plan permits you to receive annual distributions in amounts equal to your RMD amount, and
- (2) You make an election to receive a distribution in this form of payment (or you are otherwise defaulted into this form of payment).

If the above circumstances do not apply, your benefits will be paid to you in either a lump sum payment or series of installments that satisfy these rules on or before the date on which RMDs would otherwise be required to begin. In such case, the minimum payments described in this fact sheet will not apply to you.

SATISFYING THE RMD REQUIREMENTS

Pension Fund will calculate the amount of your RMD from your 457(b) Plan account and mail you a personalized statement each year. The statement shows the assumptions used to calculate your RMD and provides other information.

Your RMD Calculation

The amount of your RMD is calculated by dividing your 457(b) Plan account as of the prior December 31 by your life expectancy. Life expectancy is the length of time the Internal Revenue Service (IRS) expects an individual to live.

Except in certain circumstances discussed below, Pension Fund uses the Uniform Lifetime Table to determine RMDs for participants regardless of your marital status or whether or not you have designated a beneficiary. For your calculation each year, Pension Fund uses the life expectancy factor corresponding to your age on your birthday in that year.

UNIFORM LIFETIME TABLE			
Age	Factor	Age	Factor
73	26.5	97	7.8
74	25.5	98	7.3
75	24.6	99	6.8
76	23.7	100	6.4
77	22.9	101	6
78	22	102	5.6
79	21.1	103	5.2
80	20.2	104	4.9
81	19.4	105	4.6
82	18.5	106	4.3
83	17.7	107	4.1
84	16.8	108	3.9
85	16	109	3.7
86	15.2	110	3.5
87	14.4	111	3.4
88	13.7	112	3.3
89	12.9	113	3.1
90	12.2	114	3
91	11.5	115	2.9
92	10.8	116	2.8
93	10.1	117	2.7
94	9.5	118	2.5
95	8.9	119	2.3

96	8.4	120 & older	2
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EXAMPLE 1

Assume you retired at the end of 2021, and you turn age 73 on February 1, 2026. Your 457(b) Plan requires you to receive RMD payments beginning April 1 following the later of the calendar year in which you retire or turn age 73. Therefore, you must receive your first RMD by April 1, 2027 to satisfy the RMD requirement for 2026. Because you are age 73 in 2026, the calculation will be based on the life expectancy factor corresponding to age 73, which is 26.5. Assume you have a 457(b) Plan balance of \$100,000 on December 31, 2025. Your RMD for 2026 will be:

12/31/2025 balance	\$100,000
Uniform Lifetime Table factor.....	/ 26.5
2026 RMD	\$3,773.58

Assume that this amount is distributed to you in December 2026. You must receive your second RMD by December 31, 2027. Your second RMD will be calculated using the factor corresponding to your age in 2027 (age 74), which is 25.5. Assume your 457(b) Plan balance on December 31, 2026 is \$97,226.26. Your RMD for 2027 will be:

12/31/2026 balance	\$97,226.26
Uniform Lifetime Table factor.....	/ 25.5
2027 RMD	\$3,812.79

Beneficiary Designations

In most cases, RMD calculations are based on the factors in the Uniform Lifetime Table. However, there is an exception if your sole designated beneficiary for the entire tax year is your spouse who is more than 10 years younger than you. In this case, your RMD will be calculated using the IRS Joint and Last Survivor Table, based on the joint life expectancy factors for both you and your spouse. This will result in a lower RMD payment. If Pension Fund does not have your spouse's date of birth on record, we will calculate your RMD using the Uniform Lifetime Table.

EXAMPLE 2

Assume the same facts as Example 1, except that your spouse is your sole designated beneficiary and is age 55 in 2026. Your RMD for 2026 will be:

12/31/2025 balance	\$100,000
Joint and Last Survivor Table factor.....	/ 32.6
2026 RMD	\$3,067.48

If you have not designated a beneficiary and want to do so, you must complete and return a *Beneficiary Designation Form*. This form can be found at www.pensionfund.org/forms or you may request a copy from Pension Fund.

RMD Payment Schedule

If you are subject to RMD payments from the 457(b) Plan, you will be required to commence RMD payments on one of the following dates:

- The date you turn age 73 (if you were born before 1960) or age 75 (if you were born after 1959) or, if later, 90 days after you retire or separate from service.
- April 1 after the calendar year in which you turn age 73 (if you were born before 1960) or age 75 (if you were born after 1959) or, if later, April 1 after the calendar year in which you retire or separate from service.

Pension Fund will make your first RMD to you on the date prescribed by your 457(b) Plan and/or your completed election form, if applicable. After the first year, Pension Fund will automatically make the RMD to you in November of each year.

SURVIVING BENEFICIARIES

When you die, distributions to your beneficiaries must also satisfy the RMD rules. The 457(b) Plan automatically satisfies these rules by paying the remainder of your account to your beneficiary(ies) in a single lump sum as soon as reasonably practicable after your death.

INCOME TAX WITHHOLDING

You will owe federal income taxes on amounts distributed from the 457(b) Plan, including RMDs. The amount of your RMD will be reported by your employer on Form W-2 as regular wages for the year of distribution. Pension Fund will calculate withholding for federal income tax purposes in accordance with your completed Form W-4, *Employee's Withholding Certificate*. If you do not provide a completed Form W-4, Pension Fund will calculate withholding as if you are single with no allowances.

You may also owe state income taxes on the amount distributed. You will need to complete and return the state tax withholding certificate for your state of residence. If you do not return a completed certificate for your state, Pension Fund will apply your state's default tax withholding rules. If you reside in a state that requires mandatory withholding, Pension Fund will withhold the required amount.

If you have specific questions about your personal financial situation, you should consult an accountant or tax advisor. Pension Fund does not provide tax advice.



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