**Course Title:** Planning for IRA Required Minimum Distributions

**Test Title:** Planning for IRA Required Minimum Distributions Review Test  
**Pool Title:** IRA RMDs

***Question 1:*** *Question Title: John Doe owns an IRA valued at $750,000*

**John Doe owns an IRA valued at $750,000 and has a life expectancy of 16 years based on the IRS Uniform Table. Which of the following statements is true?**

**a) If he only withdraws the Required Minimum Distribution each year, the IRA should provide income for the rest of his life, regardless of how long he lives, barring negative performance of his investments.**

***Correct.***

Points: 10

b) The IRA must be fully paid out in the year following his death.

***Incorrect. This is because the Uniform Distribution Table provides for annual distributions based on only a relatively small percentage of the account balance from the previous year. Hypothetically, if the annual withdrawals are in exact alignment with the Uniform Table, the account balance will never be depleted, although the balance could get quite small if the investment performance is poor. Note, too, that the Uniform Table assumes a payout based on a Joint & Survivor annuity based on a second beneficiary being 10 years younger than the primary beneficiary. This is a conservative payout calculation.***

Points: 0

c) His designated beneficiary currently receives annual IRA distributions resulting from RMD rules.

***Incorrect. This is because the Uniform Distribution Table provides for annual distributions based on only a relatively small percentage of the account balance from the previous year. Hypothetically, if the annual withdrawals are in exact alignment with the Uniform Table, the account balance will never be depleted, although the balance could get quite small if the investment performance is poor. Note, too, that the Uniform Table assumes a payout based on a Joint & Survivor annuity based on a second beneficiary being 10 years younger than the primary beneficiary. This is a conservative payout calculation.***

Points: 0

d) Both a and b

***Incorrect. This is because the Uniform Distribution Table provides for annual distributions based on only a relatively small percentage of the account balance from the previous year. Hypothetically, if the annual withdrawals are in exact alignment with the Uniform Table, the account balance will never be depleted, although the balance could get quite small if the investment performance is poor. Note, too, that the Uniform Table assumes a payout based on a Joint & Survivor annuity based on a second beneficiary being 10 years younger than the primary beneficiary. This is a conservative payout calculation.***

Points: 0

***Question 2:*** *Question Title: Bill Simpson's birthday*

**Bill Simpson's birthday is May 6, 1950. When is Bill's Required Beginning Date?**

**April 1, 2021**

***Correct. Bill turns age 70 on May 6, 2020 and age 70½ on November 6, 2020. April 1, 2021 is April 1 of the calendar year following the calendar year in which the IRA owner reaches age 70½.***

Points: 10

December 31, 2020

***Incorrect. Remember that the RBD is April 1 of the calendar year following the calendar year in which the IRA owner reaches the age of 70½.***

Points: 0

December 31, 2021

***Incorrect. Remember that the RBD is April 1 of the calendar year following the calendar year in which the IRA owner reaches the age of 70½.***

Points: 0

April 1, 2020

***Incorrect. Remember that the RBD is April 1 of the calendar year following the calendar year in which the IRA owner reaches the age of 70½.***

Points: 0

***Question 3:*** *Question Title: Sally Kinder celebrates her 70th birthday*

**Sally Kinder celebrates her 70th birthday on November 6, 2017. When is her Required Beginning Date?**

November 6, 2018

***Incorrect. Remember that the RBD is April 1 of the calendar year following the calendar year in which the IRA owner reaches the age of 70½.***

Points: 0

April 1, 2018

***Incorrect. Remember that the RBD is April 1 of the calendar year following the calendar year in which the IRA owner reaches the age of 70½.***

Points: 0

December 31, 2017

***Incorrect. Remember that the RBD is April 1 of the calendar year following the calendar year in which the IRA owner reaches the age of 70½.***

Points: 0

**April 1, 2019**

***Correct. April 1 of year following attainment of age 70½***

Points: 10

December 31, 2018

***Incorrect. Remember that the RBD is April 1 of the calendar year following the calendar year that the IRA owner reaches the age of 70½.***

Points: 0

***Question 4:*** *Question Title: Joint and Last Survivor Table*

**The "Joint and Last Survivor" Life Expectancy table applies to:**

a) When the IRA owner is calculating the taxes and penalties on RMD's that have not been taken

***Incorrect. When the sole designated beneficiary is the IRA owner's spouse and is more than 10 years younger than the IRA owner, the "Joint & Survivor" Life Expectancy table applies.***

Points: 0

b) When the designated beneficiary is 10 years or more older than the IRA Owner

***Incorrect. When the sole designated beneficiary is the IRA owner's spouse and is more than 10 years younger than the IRA owner, the "Joint & Survivor" Life Expectancy table applies.***

Points: 0

c) When the designated beneficiary predeceases the IRA owner

***Incorrect. When the sole designated beneficiary is the IRA owner's spouse and is more than 10 years younger than the IRA owner, the "Joint & Survivor" Life Expectancy table applies.***

Points: 0

**d) When the sole designated beneficiary is the IRA owner's spouse and is more than 10 years younger than the IRA owner**

***Correct.***

Points: 10

e) Both b and c

***Incorrect. When the sole designated beneficiary is the IRA owner's spouse and is more than 10 years younger than the IRA owner, the "Joint & Survivor" Life Expectancy table applies.***

Points: 0

***Question 5:*** *Question Title: True about new rules*

**Which of the following is true about the current RMD rules?**

They are more restrictive in their penalties for non-compliance.

***Incorrect. Try again.***

Points: 0

They are only related to IRA's and have no bearing on any other qualified plan balances.

***Incorrect. RMD rules generally apply to almost all retirement plans with some minor variations. This is true for current and previous RMD rules.***

Points: 0

**The current rules simplified the RMD calculations.**

***Correct. While the previous rules provided for a total of 7 specific calculation choices - depending on beneficiaries and election methods - there are now only two methods that are used to calculate the RMD. Amazingly, under the current rules, the IRS has combined the most advantageous aspects of the various old calculation methodologies within the new simplified calculation structure.***

Points: 10

The current rules provide protection for those that have not complied with the regulations in prior years.

***Incorrect. The final proposed rules do not provide protection for participants that have not been complying with the previous regulations.***

Points: 0

***Question 6:*** *Question Title: John Smyres turns 70 on Jan 15 2017*

**John Smyres turns 70 on January 15, 2017. Which of the following dates should be used in determining the plan balance for purposes of calculating the first RMD, assuming he withdraws the full amount of his RMD in 2017?**

April 1, 2017

***Incorrect. The date to be used is the market value on December 31 of the year prior to reaching age 70½***

Points: 0

April 1, 2017

***Incorrect. The date to be used is the market value on December 31 of the year prior to reaching age 70½***

Points: 0

December 31, 2015

***Incorrect. The date to be used is the market value on December 31 of the year prior to reaching age 70½***

Points: 0

**December 31, 2016**

***Correct.***

Points: 10

December 31, 2017

***Incorrect. The date to be used is the market value on December 31 of the year prior to reaching age 70½***

Points: 0

***Question 7:*** *Question Title: Samantha Evans is the designated beneficiary*

**Samantha Evans is the designated beneficiary of her mother's IRA. Which table will be used to calculate her mother's life expectancy for the purposes of Required Minimum Distributions?**

Joint and Last Survivor Table

***Incorrect. Under the current rules, if an IRA owner has a sole designated beneficiary that is his/her spouse and he/she is more than 10 years younger than the owner, they can use their actual ages under the Joint and Last Survivor Life Expectancy Table to calculate the divisor for determining RMDs.***

Points: 0

**Uniform Table**

***Correct. Under the current rules, if an IRA owner has a sole designated beneficiary that is his/her spouse and he/she is more than 10 years younger than the owner, they can use their actual ages under the Joint and Last Survivor Life Expectancy Table to calculate the divisor for determining RMDs.***

Points: 10

LIMRA life expectancy tables used by the insurance companies

***Incorrect. Under the current rules, if an IRA owner has a sole designated beneficiary that is his/her spouse and he/she is more than 10 years younger than the owner, they can use their actual ages under the Joint and Last Survivor Life Expectancy Table to calculate the divisor for determining RMDs.***

Points: 0

Cannot determine with the information given

***Incorrect. Under the current rules, if an IRA owner has a sole designated beneficiary that is his/her spouse and he/she is more than 10 years younger than the owner, they can use their actual ages under the Joint and Last Survivor Life Expectancy Table to calculate the divisor for determining RMDs.***

Points: 0

***Question 8:*** *Question Title: Laura Sims turns 70*

**Laura Sims turns 70 on September 1, 2018. If she distributes the first RMD from her IRA on March 1, 2020, she should calculate her RMD using the account balance dated:**

December 31, 2017

***Incorrect. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 0

March 1, 2018

***Incorrect. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 0

**December 31, 2018**

***Correct. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 10

March 1, 2019

***Incorrect. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 0

December 31, 2019

***Incorrect. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 0

***Question 9:*** *Question Title: Which of the following statements is NOT*

**Which of the following statements is NOT a true statement regarding RMD reporting requirements:**

IRA custodians must provide an RMD notice to every owner who must take an RMD for the year

***Incorrect. This is a true statement.***

Points: 0

The IRA custodian must inform the IRS of those IRAs for which an RMD is required

***Incorrect. This is a true statement.***

Points: 0

RMD notices must be made by January 31 of the year for which an RMD is due

***Incorrect. This is a true statement.***

Points: 0

**The RMD notice must include the amount of the RMD**

***Correct. This is NOT a true statement. The RMD notice may include the amount of the RMD or the notice may offer to provide the RMD amount if requested.***

Points: 10

***Question 10:*** *Question Title: Under the current regulations*

**Under the current regulations, what is the penalty if the Required Minimum Distribution is not made?**

The entire balance of the IRA is assessed a 50% penalty

***Incorrect. This penalty is 50% on the amount that should have been distributed.***

Points: 0

**There is a 50% penalty on the amount that should have been distributed**

***Correct.***

Points: 10

The tax deferred status of the IRA is voided and must be distributed in its entirety

***Incorrect. This penalty is 50% on the amount that should have been distributed.***

Points: 0

The penalty is 25% of the balance plus the income tax that would be due

***Incorrect. This penalty is 50% on the amount that should have been distributed.***

Points: 0

***Question 11:*** *Question Title: An IRA owner, 33% tax bracket*

**An IRA owner continues to earn significant income each year placing the owner near the 33% tax bracket. Which of the following would be important for the owner to consider when determining when to take his or her first RMD from a sizable IRA?**

In order to defer taxes as long as possible, the first RMD should be taken on the Required Beginning Date.

***Incorrect. The owner should consider taking the first RMD in the tax year preceding the Required Beginning Date, thereby avoiding the potential for having the two RMD payments in one tax year push him/her into a higher marginal bracket.***

Points: 0

The first distribution can be taken anytime in the year of the Required Beginning Date and therefore should be taken no later than December 31 of that year.

***Incorrect. The owner should consider taking the first RMD in the tax year preceding the Required Beginning Date, thereby avoiding the potential for having the two RMD payments in one tax year push him/her into a higher marginal bracket.***

Points: 0

Under the current rules, the first RMD must be made on the RBD.

***Incorrect. The owner should consider taking the first RMD in the tax year preceding the Required Beginning Date, thereby avoiding the potential for having the two RMD payments in one tax year push him/her into a higher marginal bracket.***

Points: 0

**The owner should consider taking the first RMD in the tax year preceding the Required Beginning Date, thereby avoiding the potential for having the two RMD payments in one tax year push him/her into a higher marginal bracket.**

***Correct.***

Points: 10

There is nothing for the person to consider because the rules state that the owner must take the two distributions beginning in the calendar year of his Required Beginning Date.

***Incorrect. The owner should consider taking the first RMD in the tax year preceding the Required Beginning Date, thereby avoiding the potential for having the two RMD payments in one tax year push him/her into a higher marginal bracket.***

Points: 0

***Question 12:*** *Question Title: The owner of an IRA failed to make an RMD*

**The owner of an IRA failed to make a Required Minimum Distribution in the amount of $10,000. If the owner is in the 33% marginal income tax bracket (assuming the distribution does not change the tax bracket), how much of the $10,000 must the owner pay in penalty and taxes?**

**$8,300 [calculation is 33% of the full RMD plus 50% of the full RMD]**

***Correct!***

Points: 10

$6,650 [calculation is 33% of the full RMD plus 50% of the balance]

***Incorrect. $8,300 [calculation is 33% of the full RMD plus 50% of the full RMD]***

Points: 0

$5,800 [calculation is 33% of the full RMD plus 25% of the full RMD]

***Incorrect. $8,300 [calculation is 33% of the full RMD plus 50% of the full RMD]***

Points: 0

$4,975 [calculation is 33% of the full RMD plus 25% of the balance]

***Incorrect. $8,300 [calculation is 33% of the full RMD plus 50% of the full RMD]***

Points: 0

Cannot determine from the information provided

***Incorrect. $8,300 [calculation is 33% of the full RMD plus 50% of the full RMD]***

Points: 0

***Question 13:*** *Question Title: Jim Bean turns 70½*

**Jim Bean turns 70½ in June 2017. In which of the following years may he withdraw his first Required Minimum Distribution without incurring a late withdrawal penalty?**

1. **2017**
2. **2018**
3. **2019**

1 only

***Incorrect. This is not the only correct selection.***

Points: 0

2 only

***Incorrect. This is not the only correct selection.***

Points: 0

**1 and 2 only**

***Correct! He can take his first distribution in 2017 or 2018. Remember that if he takes his distribution in 2018, he must do so by April 1, 2018, to avoid penalty.***

Points: 10

2 and 3 only

***Incorrect. Taking his distribution in 2019 is too late. The penalty would apply.***

Points: 0

1, 2 and 3

***Incorrect. Taking his distribution in 2019 is too late. The penalty would apply.***

Points: 0

***Question 14:*** *Question Title: Jack Bean turns 70½*

**Jack Bean turns 70½ in June 2016. In which of the following years may he withdraw his Required Minimum Distribution (RMD) for the second year if he withdraws the first year RMD in 2016?**

1. **2016**
2. **2017**
3. **2018**

1 only

***Incorrect. Taking the second year RMD in 2016 is too early. RMD. An IRA owner cannot withdraw RMDs "ahead of time."***

Points: 0

**2 only**

***Correct! Jack can withdraw his first distribution in 2014 or 2015, but he must withdraw his second RMD in 2017. Points: 10***

Points: 10

1 and 2 only

***Incorrect.***

Points: 0

2 and 3 only

***Incorrect. Taking the second year RMS in 2018 is too late.***

Points: 0

1, 2 and 3

***Incorrect. Regardless of when Jack withdraws the first RMD, he must withdraw the second RMD in 2017.***

Points: 0

***Question 15:*** *Question Title: Becky has an IRA*

**Becky has an IRA and will withdraw her first Required Minimum Distribution (RMD) in 2018. She turned 70½ in 2017. Assume that the appropriate divisor from Life Expectancy Table is 26.5. If you select the correct year-end IRA balance from the choices below, what is the amount of Becky's first RMD?**

1. **2015: $85,000**
2. **2016: $90,000**
3. **2017: $99,000**

$3,208

***Incorrect.***

Points: 0

**$3,396**

***Correct! Because the distribution is for 2017, the year-ending balance at 12/31/16 is used.***

Points: 10

$3,736

***Incorrect.***

Points: 0

$2,650

***Incorrect.***

Points: 0

***Question 16:*** *Question Title: Which of the following is NOT one of the three steps*

**Which of the following is NOT one of the three steps to determine the life expectancy factor for the initial Required Minimum Distribution?**

Establish the calendar year in which the IRA owner attains 70½

***Incorrect. This a step to determine the life expectancy factor for the initial Required Minimum Distribution.***

Points: 0

Regardless of the owner’s age, determine the IRA owner’s attained age as of the end of that calendar year for which the distribution will be made

***Incorrect. This a step to determine the life expectancy factor for the initial Required Minimum Distribution.***

Points: 0

Refer to the appropriate life expectancy table

***Incorrect. This a step to determine the life expectancy factor for the initial Required Minimum Distribution.***

Points: 0

**Determine the owner's tax basis**

***Correct! The tax basis has no impact on the calculation of the RMD.***

Points: 10

***Question 17:*** *Question Title: John is age 70*

**John is age 70 and 1 month. His wife, Joyce, is age 60 and 11 months and the sole beneficiary of his IRA. Which divisor will John use to determine the divisor in order to calculate his Required Minimum Distributions?**

Joint and Last Survivor Life Expectancy Table

***Incorrect. John's spouse is not at least ten years younger than John.***

Points: 0

**Uniform Table**

***Correct!***

Points: 10

***Question 18:*** *Question Title: When calculating Required Minimum Distributions each year*

**Since the Required Minimum Distribution (RMD) is recalculated every year and the life expectancy factor (the divisor) will always be greater than one, the IRA will never be exhausted during the owner's lifetime if distributions are never greater than the RMD, barring negative performance of the owner's investments.**

**The life expectancy table is used each year to account for annual advances in age.**

***Correct!***

Points: 10

Use the original life expectancy factor and subtract one each year as the IRA owner ages.

***Incorrect.***

Points: 0

The lifetime income is determined by the life expectancy in the first year, unless the IRA owner wants to withdraw a larger sum than is required.

***Incorrect.***

Points: 0

***Question 19:*** *Question Title: Since the Required Minimum Distribution (RMD)*

**Since the Required Minimum Distribution (RMD) is recalculated every year and the life expectancy factor (the divisor) will always be greater than one, the IRA will never be exhausted during the owner's lifetime if distributions are never greater than the RMD, barring negative performance of the owner's investments.**

**True**

***Correct!***

Points: 10

False

***Incorrect.***

Points: 0

***Question 20:*** *Question Title: A Required Minimum Distribution (RMD)*

**A Required Minimum Distribution (RMD) is the minimum amount that must be distributed each year once the owner reaches 70½ years of age. It is calculated by dividing the 12/31 account value from the most current calendar year by the appropriate divisor, as derived from the appropriate life expectancy table. If it is the initial RMD, then the 12/31 account value from the year prior to actual distribution is used, independent of when the initial RMD is actually distributed.**

True

***Incorrect.***

Points: 0

**False**

***Correct! An RMD is the minimum amount that must be distributed each year once the owner reaches 70½ years of age. It is calculated by dividing the 12/31 account value from the previous calendar year by the appropriate divisor, as derived from the appropriate life expectancy table. If it is the initial RMD, then the 12/31 account value from the year prior to turning 70½ is used, independent of when the initial RMD is actually distributed.***

Points: 10

***Question 21:*** *Question Title: Don turned age 70 on July 11, 2017*

**Don turned age 70 on July 11, 2017. His wife and beneficiary is Betty, age 68. Don chooses to make his first two withdrawals in the year after he turns 70½. Assume that the life expectancy factors are 27 for the first distribution and 26 for the second. Choose from the year-end IRA balance choices below to determine the total amount of the two withdrawals in the year after Don turns 70½:**

1. **12/31/2017: $135,000**
2. **12/31/2018: $143,000**
3. **12/31/2019: $156,000**
4. **12/31/2020: $133,000**

$11,296

***Incorrect. Don turns age 70½ on January 11, 2018. He must therefore make his initial distribution for 2018 by April 1 of 2019 using the valuation at the end of the year prior to turning 70½ (December 31, 2017). He must also take a second distribution in 2019 for 2019. For his 2019 distribution, he will use the valuation at the end of 2018 (December 31, 2018).***

Points: 0

**$10,500**

***Correct! Don turns age 70½ on January 11, 2018. He must therefore make his initial distribution for 2018 by April 1 of 2019 using the valuation at the end of the year prior to turning 70½ (December 31, 2017). He must also take a second distribution in 2019 for 2019 using the valuation at the end of 2018 (December 31, 2018). First distribution of ($135,000 ÷ 27) + second distribution of ($143,000 ÷ 26) = $10,500.***

Points: 10

$10,833

***Incorrect. Don turns age 70½ on January 11, 2018. He must therefore make his initial distribution for 2018 by April 1 of 2019 using the valuation at the end of the year prior to turning 70½ (December 31, 2017). He must also take a second distribution in 2019 for 2019 using the valuation at the end of 2018 (December 31, 2018).***

Points: 0

***Question 22:*** *Question Title: Randi Reeves has a birthday on July 2, 2018*

**Randi Reeves has a birthday on July 2, 2018, at which time she is 70 years old. When is her Required Beginning Date (RBD)?**

December 31, 2018

***Incorrect. The RBD is April 1 following the calendar year in which she attains age 70½.***

Points: 0

April 1, 2019

***Incorrect. The RBD is April 1 following the calendar year in which she attains age 70½.***

Points: 0

December 31, 2019

***Incorrect. The RBD is April 1 following the calendar year in which she attains age 70½.***

Points: 0

**April 1, 2020**

***Correct! The RBD is April 1 following the calendar year in which she attains age 70½.***

Points: 10

December 31, 2019

***Incorrect. The RBD is April 1 following the calendar year in which she attains age 70½.***

Points: 0

***Question 23:*** *Question Title: Randi Reeves has a birthday on July 2, 2016....What is the appropriate account balance...*

**Randi Reeves has a birthday on July 2, 2016, at which time she is 70 years old. What is the appropriate account balance date to be used in calculating her first RMD?**

12/31/2015

***Incorrect. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 0

**12/31/201**6

***Correct! The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 10

12/31/2017

***Incorrect. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 0

12/31/2018

***Incorrect. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 0

12/31/2019

***Incorrect. The year-end account balance used to calculate the initial RMD (no matter when it is distributed) is the 12/31 balance from the year just prior to the year in which the IRA owner turns 70½.***

Points: 0

***Question 24:*** *Question Title: The IRS has enacted rules that require*

**The IRS has enacted rules that require the IRA owner to begin making distributions from an IRA upon attaining age 70½. Why?**

To emphasize the fact that all retirees need income when they reach age 70½.

***Incorrect.***

Points: 0

To make sure that all IRA holders exhaust their IRA balances before they die.

***Incorrect.***

Points: 0

**To ensure that the IRA is used for the primary purpose of retirement planning for the owner and his or her spouse and to recapture the tax incentives provided by tax deductions of contributions and tax-free accumulation of earnings.**

***Correct!***

Points: 10

***Question 25:*** *Question Title: Even if an IRA owner withdraws*

**Even if an IRA owner withdraws significant amounts from his/her IRA prior to reaching age 70½, he/she must begin to withdraw certain minimum amounts each and every year thereafter.**

**True**

***Correct!***

Points: 10

False

***Incorrect.***

Points: 0

***Question 26:*** *Question Title: Zuma is age 70.*

**Zuma is age 70. Her husband, Zach, is age 58 and the sole beneficiary of her IRA. Which divisor will Zuma use to determine the divisor in order to calculate her Required Minimum Distributions?**

**Joint and Last Survivor Life Expectancy Table**

***Correct!***

Points: 10

Uniform Table

***Incorrect. Zach is more than ten years younger than Zuma.***

Points: 0

***Question 27:*** *Question Title: Parker is age 70.*

**Parker is age 70. His wife, Paula, is age 55. Parker's IRA names Paula as a joint beneficiary with Parker's two children. Which divisor will Parker use to determine the divisor in order to calculate his Required Minimum Distributions?**

Joint and Last Survivor Life Expectancy Table

***Incorrect. Paula is at least ten years younger than Parker, but she is not the sole beneficiary of the IRA.***

Points: 0

**Uniform Table**

***Correct!***

Points: 10

***Question 28:*** *Question Title:* **A QLAC is most likely to appeal**

**A QLAC (Qualified Longevity Annuity Contract) is most likely to appeal to which of the clients below? Assume each client owns a Traditional Deductible IRA.**

Pauline wishes to convert taxable income into income tax free income.

***Incorrect. A QLAC will not accomplish this purpose.***

Points: 0

**Alexandria wishes to defer a portion of her Required Minimum Distributions past her required beginning date until age 85.**

***Correct!***

Points: 10

***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

***Question 28:*** *Question Title:* **A QLAC is least likely to appeal**

**A Qualified Longevity Annuity Contract (QLAC) is least likely to appeal to which of the clients below? Assume each client owns a Traditional Deductible IRA.**

**Patricia does not wish to delay required minimum distributions (RMD) past her required beginning date.**

***Correct!***

Points: 10

Diane is deeply troubled by the prospect of running out of money before her death. She is willing to take less income in her early retirement years to address this concern.

***Incorrect. Diane would generally be attracted to a QLAC to accomplish this goal.***

Points: 0