The RMD Survival Guide

What every retiree needs to know about Required Minimum Distributions — before the IRS forces your hand.

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What an RMD is — and why it can hurt

For decades, the government let you defer taxes on your traditional IRA and 401(k). Required Minimum Distributions (RMDs) are how it collects. Starting at a set age, you **must** withdraw a minimum amount each year whether you need the money or not — and every dollar is taxable as ordinary income.

The problem isn't the withdrawal itself. It's what those forced withdrawals do to the **rest** of your financial picture: they can push you into a higher bracket, make more of your Social Security taxable, and trigger Medicare surcharges (IRMAA). This guide walks through the rules as they stand for 2026, the traps that catch people, and the moves that can soften the blow.

> **The 2026 essentials at a glance**
> • RMDs begin at **age 73** if you were born 1951–1959 (age 75 if born 1960 or later, starting 2033).
> • Your first RMD can be delayed to **April 1 of the year after** you reach RMD age — but that means **two** RMDs in one year.
> • Every RMD after the first is due by **December 31**.
> • Miss one and the penalty is **25%** of the shortfall (reduced to 10% if corrected within two years).
> • **Roth IRAs never have RMDs** for the original owner — and as of 2024, neither do Roth 401(k)s.

TRAP 1

The two-RMDs-in-one-year mistake

You're allowed to delay your very first RMD until April 1 of the following year. It sounds like a gift, but it's often a trap: delaying means you take your first and second RMD in the same calendar year, stacking two years of taxable income together. That stack can push you into a higher bracket and trigger Medicare surcharges. For many people, taking the first RMD in the year they turn 73 — not delaying — is the smoother path.

> **Next step: if you're reaching RMD age, model both options before you default to delaying. The two-year stack is rarely worth it.**

TRAP 2

The RMD-to-IRMAA chain reaction

RMDs raise your taxable income, and higher income can push you over a Medicare IRMAA threshold two years later — adding hundreds or thousands to your annual Medicare premiums. Because IRMAA uses a two-year lookback and works as a cliff (one dollar over a line triggers the full surcharge), a large RMD can quietly raise your healthcare costs long after you've spent the money.

> **Next step: coordinate RMD planning with IRMAA thresholds. See the companion IRMAA Playbook for the 2026 brackets.**

TRAP 3

Forgetting the Social Security tax torpedo

As RMDs raise your income, a larger share of your Social Security benefits becomes taxable — up to 85%. Combined with the RMD itself, this can create a jump in your effective tax rate that surprises people who thought retirement meant lower taxes.

> **Next step: look at how your RMD interacts with your Social Security. Withdrawal sequencing before RMD age can reduce the pressure later.**

MOVE 1

Convert to Roth before RMDs begin

The single most powerful RMD strategy happens *before* RMDs start. Converting traditional IRA dollars to a Roth in your lower-income years — between retirement and age 73 — shrinks the traditional balance that future RMDs are calculated from. Roth IRAs have no RMDs for you, so every dollar converted is a dollar the IRS can never force out later. You pay tax now, at today's known rates, to remove decades of forced future income.

> **Next step: the years between retirement and 73 are the prime conversion window. This is the heart of what we do — see the Roth conversion strategies at TaxMitigation.net.**

MOVE 2

Use QCDs if you give to charity

If you're 70½ or older, a Qualified Charitable Distribution (QCD) lets you send IRA money — up to $108,000 in 2026 — directly to a qualified charity. It counts toward your RMD but is **excluded** from your taxable income entirely. For charitably inclined retirees, this is one of the cleanest ways to satisfy an RMD without the tax hit.

> **Next step: if you already give to charity, routing gifts through a QCD instead of your checkbook can lower your taxable income. Coordinate timing with your RMD.**

MOVE 3

Plan withdrawal sequencing early

The order in which you draw from taxable, tax-deferred, and Roth accounts — in the years before RMDs — shapes how large your RMDs will be. Thoughtful sequencing can draw down the traditional balance strategically, smoothing income and reducing the forced distributions that hit at 73.

> **Next step: sequencing is most powerful when started years before RMD age. See withdrawal sequencing at TaxMitigation.net.**

The bottom line

RMDs are not optional, but their *damage* is largely controllable — if you plan before they begin. The retirees who feel blindsided are usually the ones who waited until 73 to think about it. The ones who plan in their 60s often reshape the entire picture: smaller RMDs, lower lifetime taxes, less Social Security taxation, and fewer Medicare surprises.

Every situation is different, and the right mix of conversions, QCDs, and sequencing depends on your specific numbers. That's a conversation worth having — and the next step costs nothing:

Schedule your complimentary retirement tax review

See how RMD planning fits your full picture — before age 73, while you still have options.

Book at: koalendar.com/e/call-with-dana-gibson

Dana Gibson is a Certified Financial Fiduciary® and founder of PRAIS Financial Management, LLC, known as The Roth Doctor™. The frameworks of Ed Slott, CPA, are cited and credited throughout TaxMitigation.net.