



## REQUIRED MINIMUM DISTRIBUTION NOTICE

January 2018

Dear Shareholder:

The Internal Revenue Service (IRS) requires that your Individual Retirement Account (IRA) custodian send you a notice to remind you that you must take a required minimum distribution (RMD) from your IRA account each year no later than December 31<sup>st</sup>, once you reach the age of 70½.

**If this is your first year to take a required annual distribution**, the deadline for the first RMD is delayed until April 1st following the calendar year in which you reach age 70½. You must withdraw subsequent RMD amounts by year-end for each respective year. Therefore, if you will reach the age of 70½ by December 31, 2018, you must take your 2018 required distribution no later than April 1, 2019, and then you must withdraw your 2019 required distribution no later than December 31, 2019.

**If you are already taking required annual distributions**, the deadline to take your RMD for 2018 is December 31, 2018. If you currently have a RMD schedule established with us, your schedule is automatically adjusted to reflect the current tables for calculating RMD.

**Calculating Your RMD.** Upon request to Shareholder Services at 1-800-877-6089, we will calculate the required minimum distribution amount and provide it to you. Or you can call us and request a distribution form be mailed to you, or one can be obtained from your financial advisor or via the internet at [www.madisonfunds.com](http://www.madisonfunds.com).

Under IRS rules, distributions are based on your age under a uniform lifetime distribution table unless an exception applies. The exception is as follows: if your spouse is your sole beneficiary and he/she is more than 10 years younger than you are, distributions are based on the joint life expectancy of you and your spouse under the Joint Life and Last Survivor Expectancy Table.

The life expectancy tables are found in IRS Publication 590, which you may request from the IRS by phone at 1-800-829-3676 or via the internet at [www.irs.gov](http://www.irs.gov).

**RMD for multiple IRAs.** IRS rules require that you calculate the required minimum distribution based on all the IRAs you own. You may figure this separately for each IRA you own and aggregate the required amounts, and then take the total amount from any one or more of your IRAs (pursuant to IRS Notice 88-38).

**Reporting to the IRS.** We are required to report annually to the IRS on Form 5498 that a distribution is required for this account. Any distributions you receive in a tax year will be reported as income to you on Form 1099-R, which we will mail to you by the end of the following January.

**Penalty.** Note that you may be subject to a non-deductible federal excise tax penalty if you do not satisfy the RMD requirement. The penalty is 50% of any RMD amount that should have been withdrawn for a tax year but was not.

**Additional information.** If you have any questions regarding your account, please call Shareholder Services. We cannot give you tax or legal advice, but we will carry out your instructions concerning withdrawals. Instructions for distributions and any withholding you may elect will continue until you contact us to request a change. ***In the absence of instructions from you, we will make no distributions to you.*** If you have questions about the effect of distributions on your tax situation, we recommend that you consult a professional tax adviser.