

Best Practices for Monitoring Required Minimum Distributions



As a financial advisor, much of your time is spent helping clients prepare for retirement. Once a client transitions into retirement, however, you are presented with an entirely new set of issues as they navigate post-retirement goals and the complexities that occur with age.

Orion's platform provides the RMD Dashboard app to help you monitor required minimum distributions (RMDs) for clients who are over the age of 70 ½, making it easy for you to track annual distributions and minimize the risk that those clients will take an incorrect amount and be subject to a penalty.

What Is The RMD Dashboard App?

Available in the Orion Connect technology platform, the RMD Dashboard app is your go-to location for monitoring required minimum distributions for all clients who turned 70 ½ in the past calendar year.

How Does The RMD Dashboard App Help Advisors?

Whether you have one client or a hundred who are taking an RMD this year, the RMD Dashboard app is designed to save you time, reduce stress on your team, and eliminate the confusion and unknowns that can sometimes crop up when trying to properly keep a client on track with their required withdrawal amounts.

The app can save you administrative time by showing you critical information related to RMDs on a single screen, including whether or not you've set up a

systematic withdrawal plan for a client, each client's date of birth, the amount a client needs to withdraw for the year, and how much has already been withdrawn.

Navigating the RMD Dashboard App

Let's take a quick look at how to navigate in the app.

Instead of moving through different screens or even clicking through from one app to another, all the information you need is available in Orion's customizable Slick Grid. You can even track taxes withheld for greater reporting insight.



Your navigation menu is on the left-side of the screen and is broken into three sections: Retirement Plans, Maintenance, and Forms.

In **Retirement Plans**, you'll find a grid of all clients over the age of 70 ½ who will need to take an RMD for the year. This is where most of the work you do in the app will be completed

The **Maintenance** tab lets you import mass changes to RMD information across your business. If you need to edit RMD amounts for a few dozen clients at once, using this feature will save you time over making those changes to individual client records.



The **Forms** tab contains account transfer forms for TD Ameritrade and Schwab that you can download for easy access.

Ways to Use The RMD Dashboard App In Your Daily Practice

Once you've done some light setup, the Dashboard app can help you automate much of your RMD review process. To begin with, the RMD Dashboard app only displays accounts once they hit all qualifiers for age and account type, so you can be certain you're only focused on critical, relevant information whenever you open the app.

Our best practice recommendation for using the RMD Dashboard app to help you monitor required minimum distributions is twofold:

1. Set up systematics on each account so the system can track distributions throughout the year and monitor if the client is on track to successfully satisfy their RMD requirements.
2. Use the account status section under Retirement Plans for an at-a-glance view and know if accounts are on-track, off-track, or complete for the year.

User Tip: *Quickly set up systematics on individual accounts by right-clicking a client in the Slick Grid and selecting Edit > Account. Systematics are stored in the General section of the Account Editor.*

As RMDs are taken for the year, the app will automatically calculate if accounts are on-track or off-track to satisfy their yearly distribution amount; accounts that have satisfied their full amount for the year will be marked as such.

Here are a few more helpful tips for using the RMD Dashboard:

- **Quick Transaction Verification:** All distribution transactions are automatically included for RMD calculations by the app. If you'd like more information on how the system calculates specific transaction types, please check with our Support Team. When it comes to Merge Out or Journal Out transactions, we include two check boxes in the "Additional Information" section of the Transaction Editor called "System Maintained" and "Include as RMD Distribution." You can easily verify if a transaction has been included by the system because both boxes will be checked. If you wish to exclude or include a transaction manually, simply uncheck the "System Maintained" box and make your selection.
- **Notifications for RMD Completion:** The RMD Dashboard provides a notification if another account in a client's portfolio has satisfied the RMD distribution amount. The "Satisfied by Other Account" column can help you quickly spot these situations. This feature allows you to see situations where \$0 has been distributed from one account, but is covered by distributions from another account in the same portfolio.
- **Automatic and Manual Calculation Updates:** The RMD Dashboard app calculates required minimum distribution data three times daily so

you can be confident you're reviewing updated and accurate information. This processing is done at 10 AM, 12 PM, and 2 PM CST every day to allow for greater transparency and more timely data review for RMD eligible accounts. You can also choose to force a manual calculation update using the "Update RMD" button under the Actions menu if you make updates or changes to RMD eligible accounts and want an instant refresh.

The RMD Dashboard app can help you monitor RMDs across your business from a single location, and bypass the need to manually track how much each client has taken throughout a calendar year.

If you have additional questions about what was covered in this article, please log into Orion Social, click Contact Us, and start up a chat with our Reporting SME Team.

Not an Orion client yet? Get in touch with us here to schedule a demo of this app.

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