REQUIRED MINIMUM DISTRIBUTION NOTICE FOR 2026

Dear Directed IRA Client:

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 31st. RMD's do not apply to Roth IRA's.

Under the SECURE 2.0 Act of 2022, starting in 2023, the age for retirees to take Required Minimum Distributions increased from age 72 to 73.

If 2026 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 73. You must withdraw subsequent RMD amounts by year-end for each respective year. Therefore, if you will reach the age of 73 by December 31, 2026, you must take your 2026 required distribution no later than April 1, 2027, and then you must withdraw your 2027 required distribution no later than December 31, 2027.

If you are already taking required annual distributions, the deadline to take your RMD for 2026 is December 31, 2026.

Calculating your RMD. RMD calculations are based on the Fair Market Value (FMV) of the account for the previous year ending, December 31, 2025. If the FMV of your account has not been updated as of December 31, 2025, you must complete our Annual Fair Market Valuation Update form and send it to assets@directedira.com by March 1, 2026. Upon Request, we will calculate the required minimum distribution amount and provide it to you.

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 for your IRAs (pursuant to 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 The penalty is 25% of any RMD amount that should have been withdrawn for a tax year but was not. The penalty can be reduced to 10% if the RMD is timely corrected within two years. The account owner should file Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, with their federal tax return for the year in which the full amount of the RMD was required, but not taken.

Additional Information. If you have any questions regarding your account, please call our Customer Service Department. 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 with a professional tax or legal advisor.