Schwab Performance Technologies®

PortfolioCenter® Export Wizard in Practice: Evaluating IRA Account Holder Ages and Calculating Required Minimum Distribution (RMD) Amounts

One way you can apply the PortfolioCenter Export Wizard in your daily practice is to create a list of clients with IRA accounts who are required to take a minimum (RMD), and then determine the amount of the distribution. There are a few steps you need to take to determine the pertinent information:

- Use the Portfolio Export to produce a spreadsheet including client account type, birth date, total portfolio value as of the end of the previous calendar year (12/31).
- Use Microsoft Excel to calculate the client ages, to filter for IRA account types and clients over the age 70 ½, and then cross reference the Uniform Lifetime table to calculate the amount of the distribution.

Step-by-Step: Create Uniform Lifetime Table

Part of the exercise includes a reference to the Uniform Lifetime Table (life expectancy) to calculate the total amount of the RMD. We recommend you create and save the table in a separate workbook. If you have already created the table, skip to the Export section below.

1 Open Excel to a blank workbook.

2 Right-click Sheet 1 and select **Rename**, as shown in Figure A.

Name the sheet ULT.

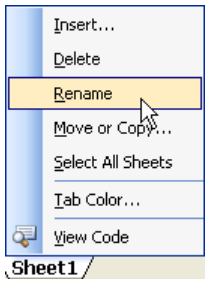

Figure A

3 In cell A1, enter the following text: Age

4 In cell B1, enter the following text: Distribution period

5 Enter the age and distribution information found on page 100 in this document provided by the IRS:

http://www.irs.gov/pub/irs-pdf/p590.pdf

6 Save the file as a workbook. Select **File | Save As** and name the file UniformLifeTable.XLS.

Set the Save as type to **Microsoft Office Excel Workbook**.

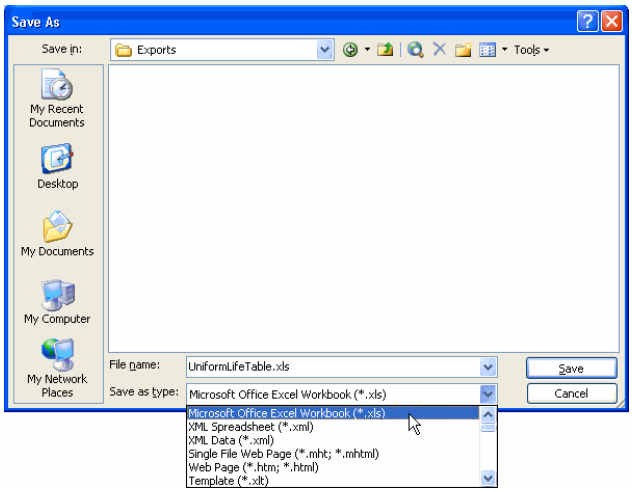

Figure B

7 Leave the file open, but minimize it.

Step-by-Step: Export Wizard

1 Open the PortfolioCenter Export Wizard:
Start Button | Programs | Schwab Performance Technologies | Tools | PortfolioCenter Export Wizard

2 Log in to the Export Wizard by entering your Username and Password, and then click **Next**.

3 Select the Data Set to export from, and then click **Next**.

4 Select **Portfolio Export** (Figure C).

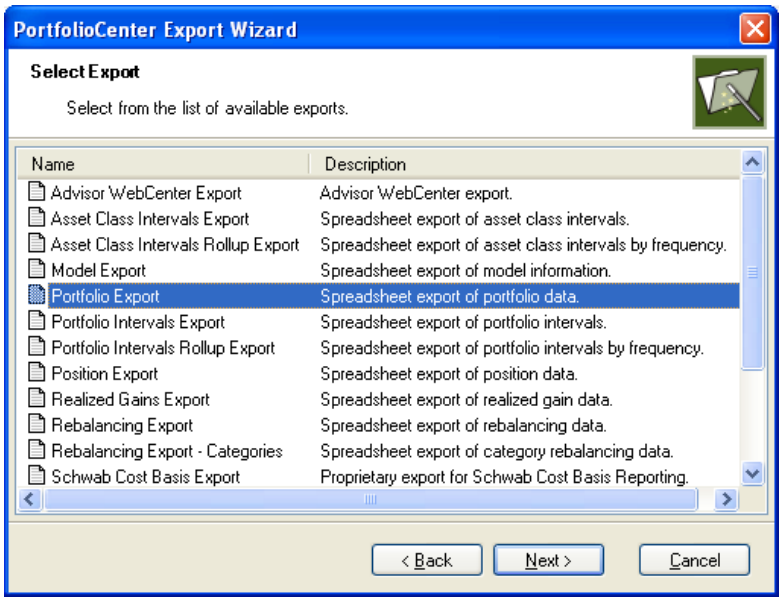

Figure C

5 Click **Next** to go to the Edit Settings page.

6 On the Edit Settings page (Figure D), specify the **As of Date** and **Price Date** equivalent to the end of the previous tax year. In this example, we use 12/31/2005.

7 For **Source Type**, specify which portfolios you want to export data for: All Portfolios, Selected Portfolios or Portfolios in Set. In this example, we use All Portfolios.

8 Click in the field to the right of the Columns setting, and then click the browse button to the right of the **Columns** field.

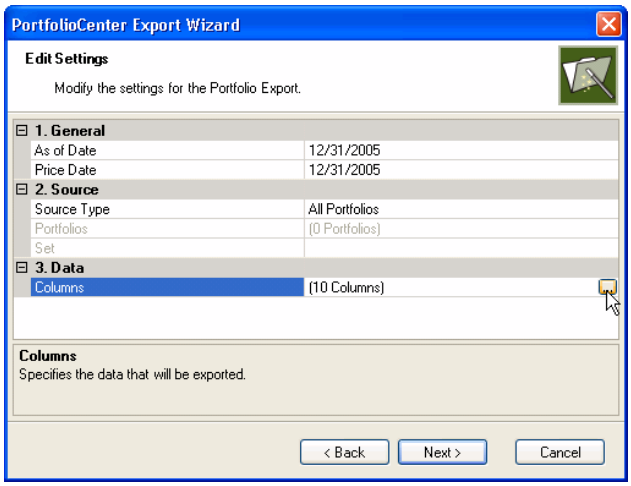

Figure D

9 Click the Defaults button in the lower left of the column selection screen to start with the default columns.

10 Remove the Group Portfolio Account Number column. On the right, select **Group Portfolio Account Number**, and then click the ◄ button.

11 Remove the Group Portfolio Description column. On the right, select **Group Portfolio Description**, and then click the ◄ button.

12 Remove the Email column. On the right, select **Email**, and then click the ◄ button.

13 Remove the Objective column. On the right, select **Objective**, and then click the ◄ button.

14 Remove the Phone Number column. On the right, select **Phone Number**, and then click the ◄ button.

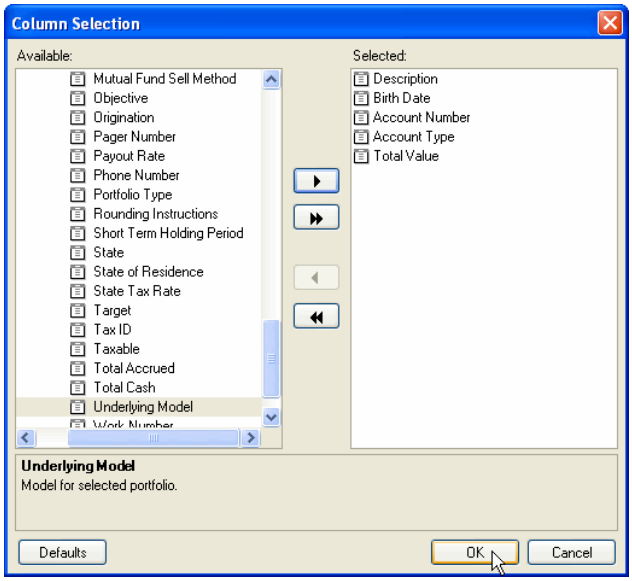

Figure E

15 Remove the Tax ID column. On the right, select **Tax ID**, and then click the ◄ button.

16 Add the Total Value column. On the left, select **Total Value**, and then click the ► button. The columns names should now match the columns names under the Selected column in Figure E.

17 Move the Description column to be the first column on the list. On the right, select the **Description** column. Keeping the left mouse key pressed in, move it to the first position, and let go of the mouse key

18 Click **OK** to return to the Edit Settings page.

19 Click **Next** to proceed to the Export Settings page.

20 In the Format field, select **CSV Format** which is the default.

21 In the Target field, specify where to save the resulting file on your system. The default location is the My Documents folder, but in this example we have selected C:\Exports\.

22 Click **Next** to run the export.

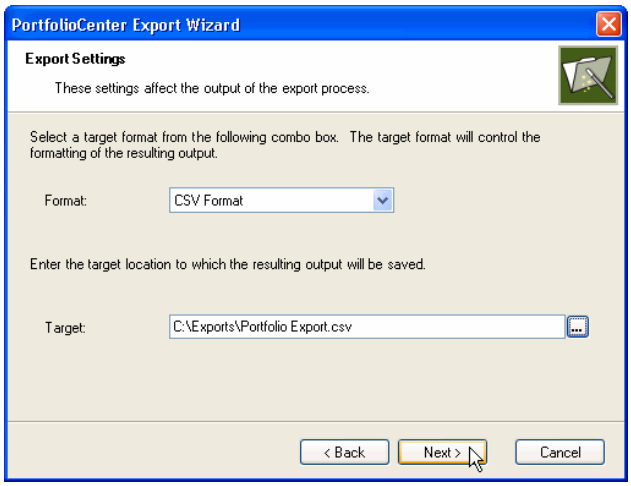

Figure F

23 When the export is complete, the Export Succeeded screen appears. Open the export file by clicking the top link on this screen, as shown in Figure G.

Figure G

Step-by-Step: Microsoft Excel

1 Wrap the text in the column. Select row 1.

2 From the menu bar, select **Format | Cell**.

3 Click the Alignment tab, and the check the **Wrap Text** box. Click **OK**.

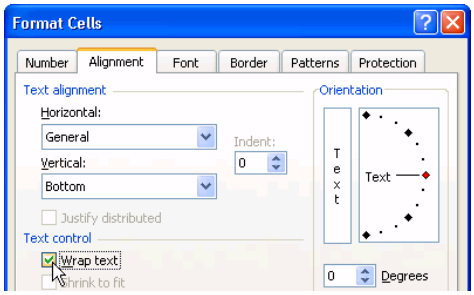

Figure H

4 Expand the columns to adjust width. Double-click the bar between each column to expand the column.

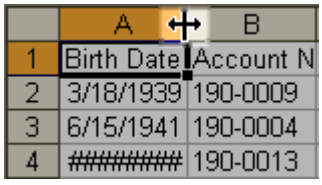

Figure I

Tip

You can select several columns at once and double-click between any columns to adjust the widths of several columns at once.

5 Enter the following text in cell F1: Age

6 Enter the following formula in F2 to calculate the client's age:

=YEARFRAC(B2,DATE(2006,12,31),1), where DATE is the date of the last day of the current calendar year.

Important

If you enter the formula above correctly, but get #NAME! in the field, you probably do not have the Analysis Tool Pak Add-in for Excel. To install the add-in:

1. From Excel's menu bar, select **Tools | Add-ins**.
2. In the Add-ins window, check **Analysis Tool Pak** (the first check box), and then click OK.
3. Select the cell, and then press enter to refresh the formula. The number should now appear in the cell.

7 Format the cell to display 2 decimal places. From the menu bar, select **Format | Cell**

8 Click the Number tab. Select Number in the category column and 2 in the decimal places field. Click **OK**.

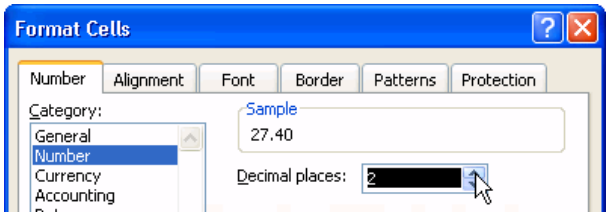

Figure J

9 Copy the cell to the end of the data.

10 Click in cell A1.

11 Enable Auto Filter. From the menu bar, select **Data | Filter | AutoFilter**.

12 In the Age column, click the down arrow [▼] to the right of the Age column and select **Custom** from the list.

13 In the Custom Auto Filter dialog box, select **Is greater than or equal to** and then enter **70.5**, as shown in Figure K.

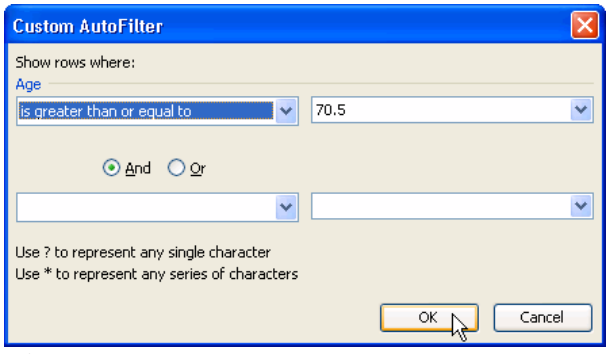

Figure K

14 In the Account Type column, click the down arrow [▼] to the right of the Account Type column and select IRA from the list.

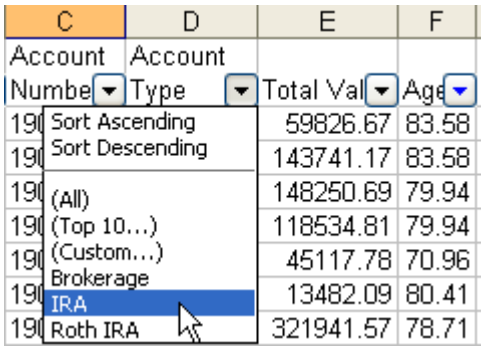

Figure L

15 Save the file as a workbook. Select **File | Save As** and name the file RMD.XLS.

Set the Save as type to **Microsoft Office Excel Workbook**, and then click the **Save** button.

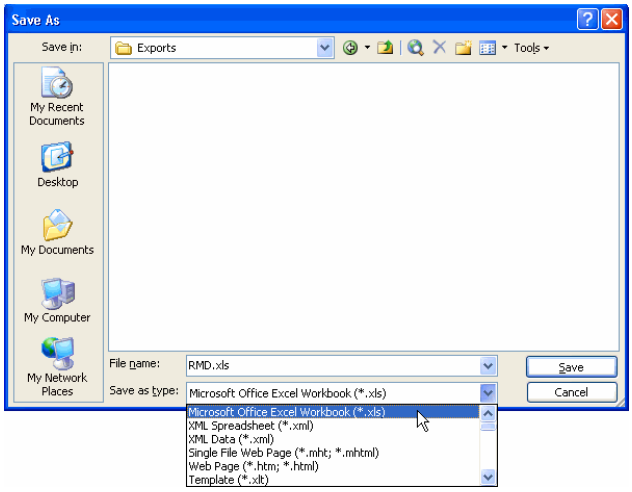

Figure M

Now, you have the list of clients that must take a Required Minimum Distribution from their IRA. Next, determine how much each client must withdraw.

16 Restore or maximize the UniformLifetimeTable.XLS

17 Copy the Uniform Lifetime Table into the RMD.XLS workbook. Right-click the 2006 tab, and then select **Move or Copy** from the menu.

18 In the Move or Copy dialog box, enter the following settings, according to Figure N to the right:

- In the To Book field, select **Portfolio Export.CSV.**
- In the Before Sheet field, select **(Move to End)**.
- Check the **Create a Copy check box**.

Click **OK**.

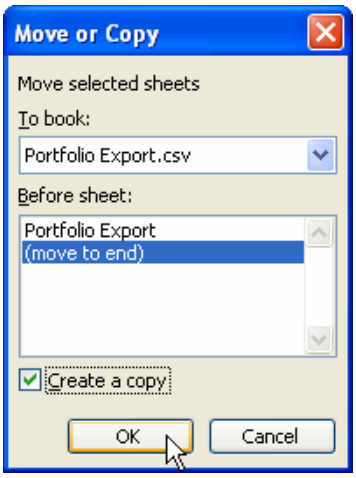

Figure N

19 Save the workbook.

20 Click the Portfolio Export tab.

21 In cell G1, enter the following text: Distribution Period

22 In the second cell in column G, enter the following formula:

=VLOOKUP(F:F,ULT!A:B,2,TRUE)

23 Copy the formula to the end of the filtered data

24 In cell H1, enter the following text: Distribution Amount

25 In cell H2, enter the following formula:

=E#/G#, where # is the row number of the first item of the filtered data.

26 Format the cell to display the number as currency. From the menu bar, select **Format | Cell**.

27 On the Number tab, select **Currency** in the Category column, and then click **OK**.

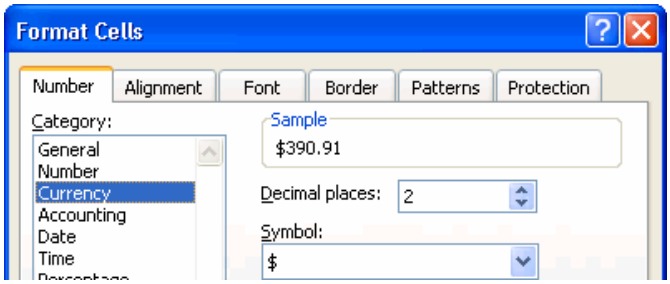

Figure O

28 Copy the formula to the end of the filtered data. Below is an example of the final spreadsheet.

	A	B	C	D	E	F	G	H
1	Birth Dat	Account Number	Account Type	Description	Total Valu	Ag	Distribution Period	Distribution Amount
8	6/1/1923	190-1101	IRA	Allen, Michael	$56,338.42	83.58	16.3	$3,456.34
10	1/23/1927	190-1103	IRA	Allen, Sally	$139,634.37	79.94	19.5	$7,160.74
16	8/4/1926	190-2201	IRA	Dobson, Kevin	$8,945.62	80.41	18.7	$478.38
17	4/16/1928	190-1111	IRA	Dobson, Virginia	$302,351.44	78.71	20.3	$14,894.16
19	11/28/1930	190-1112	IRA	Edwards, Henry	$37,843.75	76.09	22	$1,720.17
22	1/15/1936	190-1110	IRA	Gibson, Ella	$274,366.60	70.96	27.4	$10,013.38

You now have a list of accounts that are required to take a minimum distribution and how much they must take for the tax year 2006.