1) **Overall Scope of the Enhancement (should include the Business Reason for the change):**

Morgan Stanley would like the Carriers to start passing the (1) **Calculated RMD Value** and the (2) **Calculated RMD Factor/Pct** on the Positions and Valuations (POV) file. This would be 2 new additional codes, added to the existing (1) Contract Value Qualifier list and the (2) Contract Pct Amt Qualifier list. When the contract qualifies for RMD, the new Calculated RMD Value and the new Calculated RMD Factor would start being sent each January, at the same time as the currently sent RM – RMD Basis value.

Currently, for Carrier Custodial Qualified Policies, Morgan Stanley looks at tax tables and then calculates the **Calculated RMD Factor/Pct** and the **Calculated RMD Value** so that it can show all 3 items RMD Value = RMD Basis / RMD Factor to the Customer and Fin. Advisor.

Since for these Policies, the Carrier is the source of this information, it would be appropriate for the Carrier to send this information to the Broker Dealer, so that both the Carrier and the Broker Dealer can show the same values to the Customer and Financial Advisor and reduce the risk that they are showing different values.
2) **Recommended Record Layout Changes:**

Add the following code to the existing code list for the item #3102 – Contract Value Qualifier. This is located on the 13/02 Contract Valuation record.

Proposed Code: **RA** – Calculated RMD Value
Definition – The Calculated RMD Value is the Required Minimum Distribution value for this Contract

Add the following code to the existing code list for the item #3104 – Contract Pct Amt Qualifier. This is also located on the 13/02 Contract Valuation record.

Proposed Code: **RF** – Calculated RMD Percent Factor
Definition – The Calculated RMD Percent Factor is the Factor used in the equation to get the Required Minimum Distribution value for this Contract.

3) **Business Scenario – (Used to determine Best Practices)**

Carriers would pass the new RA code and value, and new RF code and percentage after they have calculated the new RMD value for the contract in early January. When appropriate (the policy has an RMD value), the carrier would pass the RF and RA Codes at the same time as the currently are passing the RM basis value.

4) **Standard Usage – (Should include specific field/code usage)**

As noted above #3. Carriers would pass the new RA code and value, and new RF code and percentage after they have calculated the new RMD value for the contract in early January. When appropriate (the policy has an RMD value), the carrier would pass the RF and RA Codes at the same time as the currently are passing the RM basis value.

5) **Status Update: Approved for September 2013 release**

**Revision History**

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