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Happy 701/2 birthday! Here are some bewildering facts

Approximately 3.5 million baby boomers started turning 70.5 in 2016. Lucky them. Dealing with required minimum distributions (RMDs) based on mind boggling charts and illogical rules aren't much fun for their golden years.

Depending on the date of this magical 70.5 birthday, the first RMD has to come out either by April 1 or December 31, 2017 and some boomers may have two distributions due in the same year. But the April Fools' Day deadline only applies to the first required distribution; future annual required distributions have a New Year's Eve deadline.

And this is NOT a typo. We're talking about age 70.5, not age 70. You know, like when a child is two and we say 'how cute, and he's almost two and a half'. Yeah, we really are saying 'seventy and a half'.

The required distribution requires summing the year-end values of retirement accounts (except Roth IRAs). Divide the total value by a factor found in IRS Publication 590-B. Show your work and check it twice.

The RMD may be taken from one account. Unless you have 403(b) plans, then distributions must come from only 403(b) accounts. And if the 403(b) had pre-1987 contributions (separately accounted for with good records), then there are different rules.

AARP recently reported that our current 70-year-olds can expect about fifteen more years of life than 70-year-olds in 1965. We can thank medical and health care advances and improved pharmaceuticals. So if you're still working after that big 70.5 birthday bash, but don't own 5% or more of the company, you can postpone RMDs from your employer plan and continue salary deferrals. It's okay to continue to defer while taking RMDs; you'll pay less tax.

Cash isn't the only way to take RMDs; securities may be transferred 'in-kind' avoiding transaction fees. Taxes will be due based on the value of the distribution on the date of the transfer and a new cost basis will be established. Future gains will be treated as capital gains.

If you're feeling charitable, transfer the RMD to your favorite 501(c)3. Donors can skip the ordinary income tax (on qualified charitable donations up to $100K) and possibly lower their tax on social security benefits. The qualified charity isn't taxed. Win-win.

And if you don't take these RMDs, the penalty is 50% of the required distribution.

None of these rules apply to inherited IRAs. Another completely different set of mind-boggling charts and illogical rules apply.

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