

Purpose Form: This form may be used by Eligible Designated Beneficiaries to elect a beneficiary distribution option when the IRA owner passed away after December 31, 2019. This form is not designed for use by nonperson beneficiaries, trust beneficiaries, or for Eligible Designated Beneficiaries when the IRA owner passed away before January 1, 2020.

Beneficiary Distribution Rule Changes under SECURE Act of 2019

Under the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, many nonspouse IRA beneficiaries are required to withdraw funds from Inherited IRAs within 10 years following the IRA owner's death. However, the opportunity to spread out the distribution of Inherited IRA assets over a beneficiary's life expectancy remains intact for some types of IRA beneficiaries.

Beginning with IRA owner deaths occurring on or after January 1, 2020, only "Eligible Designated Beneficiaries" are eligible to take life expectancy distributions from an Inherited IRA.

Eligible Designated Beneficiaries include the following:

- Surviving spouse of the deceased IRA owner
- Disabled individuals (as defined under IRC Section 72(m))
- Chronically-ill individuals as defined in IRC Section 7702B(c)(2)*
- Minor children of the deceased IRA owner**
- Individuals who are not more than 10 years younger than the deceased IRA owner

*For a chronically ill individual to qualify as an Eligible Designated Beneficiary, the individual's illness must be "an indefinite one which is reasonably expected to be lengthy in nature."

** Once the child reaches the age of majority, such beneficiary will typically be required to withdraw the remaining balance of the Inherited IRA within 10 years from when the child reaches the age of majority.

Eligible Designated Beneficiary Distribution Option Election

For IRA owner deaths occurring on or after January 1, 2020, Eligible Designated Beneficiaries (defined above) may elect between two beneficiary distribution options:

Option 1: 10-Year Rule

Option 2: Life Expectancy Payments

In addition to these two options, a surviving spouse beneficiary may roll over or transfer the Inherited IRA assets into his or her own IRA.

All Other Beneficiaries

Individuals who are not Eligible Designated Beneficiaries – For IRA owner deaths occurring on or after January 1, 2020, individuals who are IRA beneficiaries but are not considered "Eligible Designated Beneficiaries" (defined above) must withdraw inherited IRA assets according to the 10-year rule.

Nonperson Beneficiaries (e.g., estates or charities) – Nonperson IRA beneficiaries must generally deplete an Inherited IRA within five years if the IRA is a Roth IRA or if the IRA is a Traditional, SEP, or SIMPLE IRA and the IRA owner passed away before his or her required beginning date. Additional IRS guidance is anticipated with regards to the requirements that will apply in cases where a Traditional, SEP, or SIMPLE IRA owner passes away on or after their required beginning date in 2020 and beyond. Absent such guidance, nonperson beneficiaries are encouraged to seek assistance from a competent tax or legal advisor.

Trust Beneficiaries – For IRA owner deaths occurring on or after January 1, 2020, many questions remain unanswered concerning the beneficiary distribution options available to trust beneficiaries following the enactment of the SECURE Act, including the question of under what circumstances the underlying beneficiaries of a trust beneficiary may be considered Eligible Designated Beneficiaries. Trustees of a trust named as an IRA beneficiary are strongly encouraged to seek assistance from a competent tax or legal advisor.

ELIGIBLE DESIGNATED BENEFICIARY DISTRIBUTION ELECTION

IRA Trustee's or Custodian's Name and Address:

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PART I: DISTRIBUTING IRA INFORMATION

Distributing IRA: Traditional Roth SEP SIMPLE

IRA Account/Plan Number: _____

PART II: DECEASED IRA OWNER INFORMATION

Name: _____ Taxpayer ID Number: _____

Date of Birth: _____ Date of Death: _____

Mailing Address: _____

PART III: INHERITED IRA OWNER INFORMATION

Name: _____ Taxpayer ID Number: _____

Residence Address: _____

Mailing Address: _____

Primary Phone: _____ Email Address: _____ Date of Birth: _____

PART IV: BENEFICIARY CATEGORY

(Select all that apply. If no Beneficiary Category is applicable, do not complete this form.)

- I am a Spouse beneficiary.
- I am a nonspouse beneficiary who is disabled as defined under IRC Section 72(m).
- I am a nonspouse beneficiary who is chronically ill as defined in IRC Section 7702B(c)(2)*.
- I am a nonspouse beneficiary who is a minor child of the IRA owner.**
- I am a nonspouse beneficiary who is either older than the IRA owner or not more than 10 years younger than the IRA owner.

*For a chronically ill individual to qualify as an Eligible Designated Beneficiary, the individual's illness must be "an indefinite one which is reasonably expected to be lengthy in nature."

** Once the child reaches the age of majority, such beneficiary will typically be required to withdraw the remaining balance of the Inherited IRA within 10 years from when the child reaches the age of majority.

PART V: BENEFICIARY DISTRIBUTION OPTION ELECTION

Spouse Beneficiary

(Select one)

- I elect to transfer the Inherited IRA to my own IRA.
- I elect to roll over the IRA to my own IRA.
- I elect to deplete the IRA within ten years following the death of the IRA owner.
- I elect life expectancy payments.

Nonspouse Beneficiary

(Select one)

- I elect to deplete the IRA within ten years following the death of the IRA owner.
- I elect life expectancy payments.

PART VI: ACKNOWLEDGMENT

By signing this *Eligible Designated Beneficiary Distribution Election*, I certify that I am an Eligible Designated Beneficiary (as defined above) or authorized representative and the information I have provided is true and correct. I authorize the Trustee/Custodian to rely on the information I have provided. I understand that I am responsible for ensuring I am eligible to make this election. I assume all responsibilities for any consequences as a result of my actions. I further certify that the decision regarding the election is my own, and I assume the responsibility for any adverse tax consequences which may arise from the election will indemnify and hold the Trustee/Custodian harmless from any consequences related to my election. I have been advised to seek competent legal and tax advice and have not been provided any such advice from the Trustee/Custodian.

Signature of IRA Beneficiary/Representative: X _____ Date _____

Signature of IRA Trustee/Custodian: X _____ Date: _____