

Beneficiary Distribution Rules for IRA Owner Deaths Occurring After December 31, 2019

When an IRA owner dies, the beneficiary(ies) must take distribution(s) from the IRA. For IRAs whose IRA owner died after December 31, 2019, how quickly the assets must be withdrawn from the IRA depends on the beneficiary type (i.e. Eligible Designated Beneficiary, an individual that is not an Eligible Designated Beneficiary, a nonperson beneficiary such as a charity or other entity, or trust beneficiary).

Eligible Designated Beneficiaries

Eligible Designated Beneficiary status is determined on the date of death of the IRA owner and include the following:

- Surviving spouse of the deceased IRA owner
- Disabled individuals as defined under Internal Revenue Code Section 72(m)
- Chronically ill individuals as defined in Internal Revenue Code Section 401(a)(9)(E)(ii)(IV)
- Minor children of the deceased IRA owner*
- Individuals who are not more than 10 years younger than the deceased IRA owner

*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

Eligible Designated Beneficiaries (defined above) may elect between two 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.

To elect a beneficiary distribution option, an Eligible Designated Beneficiary may complete the *Eligible Designated Beneficiary Distribution Election* (Page 2 of this form).

All Other Beneficiaries

Individuals who are not Eligible Designated Beneficiaries – IRA beneficiaries who are individuals 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 of a Roth IRA or a Traditional, SEP, or SIMPLE IRA whose IRA owner died before his or her required beginning date must deplete the Inherited IRA according to the 5-Year Rule. If the IRA is a Traditional, SEP, or SIMPLE IRA and the IRA owner died on or after his or her required beginning date, nonperson IRA beneficiaries must take Life Expectancy Payments with respect to the decedent’s remaining life expectancy.

Trust Beneficiaries – With the enactment of the SECURE Act, the beneficiary distribution options available to certain trust beneficiaries of IRAs remain unclear, including 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.

Acknowledgment of Beneficiary Distribution Requirements

IRA beneficiaries who are not considered “Eligible Designated Beneficiaries” as defined above may complete the *Acknowledgment of Beneficiary Distribution Requirements Form* (Page 3 of this form) to acknowledge that beneficiary distributions must continue as required by the Internal Revenue Code and Treasury Regulations.

ELIGIBLE DESIGNATED BENEFICIARY DISTRIBUTION ELECTION

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

The Eligible Designated Beneficiary Distribution Election is used by Eligible Designated Beneficiaries to elect a beneficiary distribution option when the IRA owner died after December 31, 2019. This form is not designed for use by individuals who are not Eligible Designated Beneficiaries, nonperson beneficiaries or trust beneficiaries, or for any IRA beneficiaries when the IRA owner died before January 1, 2020.

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 on the date of death of the IRA owner. If no Beneficiary Category is applicable, do not complete this form, rather you may complete the Acknowledgement of Beneficiary Distribution Requirements Form to acknowledge that beneficiary distributions must continue as required by the Internal Revenue Code and Treasury Regulations.)

- I am a spouse beneficiary.
 - I am a nonspouse beneficiary who is disabled as defined under Internal Revenue Code Section 72(m).
 - I am a nonspouse beneficiary who is chronically ill as defined in Internal Revenue Code Section 401(a)(9)(E)(ii)(IV).
 - 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.
- *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 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 have been advised that annual distributions may be required under some circumstances and have been advised to speak with a competent tax advisor.
- 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 have been advised that annual distributions may be required under some circumstances and have been advised to speak with a competent tax advisor.
- 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 responsibility for any adverse tax consequences which may arise from the election and 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 _____

Acknowledgment of Beneficiary Distribution Requirements Form

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

The Acknowledgment of Beneficiary Distribution Requirements Form is used by IRA beneficiaries whose IRA owner died after December 31, 2019 and who are NOT considered "Eligible Designated Beneficiaries" on the date of the IRA owner's death to acknowledge that beneficiary distributions must continue as required by the Internal Revenue Code and Treasury Regulations.

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: ACKNOWLEDGMENT OF BENEFICIARY DISTRIBUTION REQUIREMENTS

By signing this *Acknowledgment of Beneficiary Distribution Requirements Form*, I certify that as of the date of death of the IRA owner that I am an IRA beneficiary who is NOT

- a spouse beneficiary,
- a nonspouse beneficiary who is disabled as defined under Internal Revenue Code Section 72(m),
- a nonspouse beneficiary who is chronically ill as defined in Internal Revenue Code Section 401(a)(9)(E)(ii)(IV),
- a nonspouse beneficiary who is a minor child of the IRA owner, or
- a nonspouse beneficiary who is either older than the IRA owner or not more than 10 years younger than the IRA owner.

I understand and acknowledge that beneficiary distributions must continue as required by the Internal Revenue Code and Treasury Regulations, and I take full responsibility for meeting these requirements. I understand that distributions from the IRA may be made by delivering a request to the Custodian/Trustee in a form and manner acceptable to the Custodian/Trustee. I understand that I assume all responsibilities for any consequences as a result of my actions, and I will indemnify and hold the Custodian/Trustee harmless from any adverse consequences and/or penalties resulting from my actions or inactions (including errors in calculations resulting from reliance on information provided by me with respect to determining required distributions). I have been advised to seek competent legal and tax advice and have not been provided any such advice from the Custodian/Trustee.

Signature of IRA Beneficiary/Representative: X _____ Date _____

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