

## Beneficiary [Inherited] IRAs - Non-Spouse

When the beneficiary of an IRA is anyone other than the spouse, the IRA account should not be re-titled to the individual's name, or as the individual's IRA. If you re-title an account to a non-spouse IRA beneficiary, it is considered to be a rollover which is not allowed to anyone but a surviving spouse. That would also mean a full distribution has been made from the IRA, and thus fully taxable.

For example, if John Doe dies and his son, James, is the beneficiary, when John Doe dies, the name on the account should stay "John Doe, IRA". The only change would be an addition after the name "John Doe, IRA" of "Deceased (date of death)" and then the letters "FBO" [for the benefit of], "James Doe, Beneficiary". The titling will then appear as follows:

**John Doe (Deceased (01/10/2009), IRA, FBO James Doe, Beneficiary**

The beneficiary's Social Security Number should be the one then used on the account.

Distributions to an IRA beneficiary after the death of the IRA owner are not subject to the 10% penalty. It does not matter if the beneficiary or the deceased IRA owner is under 59 ½ years old.

A beneficiary cannot rollover any amounts into or out of the inherited IRA. However, the beneficiary can make a Trustee-to-Trustee transfer as long as the IRA into which amounts are being moved is set up and maintained in the name of the deceased IRA owner for the benefit of the named beneficiary.

Like the original owner, the beneficiary will not owe tax on the assets of the IRA until the beneficiary receives distributions from it. The beneficiary must begin receiving distributions from the IRA under the rules of distributions that apply to beneficiaries.

Following is a table for Insurance companies that will accept Beneficiary/Inherited IRAs:

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### **PLEASE NOTE:**

**Transfers of Beneficiary IRAs can only be made if the 'Owner' of the decedent IRA has been changed/re-titled to the Beneficiary as above PRIOR to a contemplated transfer.**

**An Ownership change may not be done during the transfer process.**

Company	Accepts Beneficiary IRA	Additional Forms Needed
American General	Yes	No
Allianz	No	
American National	Yes	No
Aviva	Yes	No
Ft Dearborn	Yes	No
Genworth	Yes	Complete Application Sec 4: check: IRA 1 <sup>st</sup> column on line 3 & Other_____
ING-USA	Yes	150444 Beneficiary Account Information Sheet
ING-ReliaStar	Yes	No
Legacy	Yes	Complete Application: Section 1: Annuitant: list Beneficiary's name, address, etc. Section 2: Owner: list: <b>John Doe (Deceased (01/10/2009), IRA, FBO James Doe, Beneficiary,</b> Decedent's SS#, and Beneficiary's address, etc. Section 4: Qualified, check Other and write "Inherited IRA" Signature of Owner: list: <b>John Doe (Deceased (01/10/2009), IRA, FBO James Doe, Beneficiary</b> and sign: James Doe, Beneficiary
Lincoln Benefit	No	
Lincoln Financial	Yes	No
New York Life	Yes	ANN43093F Inherited IRA Information/Transfer Form 18753 Inherited IRA Disclosure Statement
North American	Yes	8103Z Multi-Generational Distribution Option
OM Financial	Yes	No
Reliance Standard	Yes	No
Standard Insurance	Yes	13668 Request for Inherited Individual Retirement Annuity
SunLife	No	
VALIC	Yes *  *Assured Choice IS RMD friendly in 1st year, after contract has been inforce 30-days. *ProFlex is NOT RMD friendly in 1st contract year.	Complete Application: Section 1: Owner: list Beneficiary's name, address etc. Section 4, Tax Qualified Plan Type, check "Traditional IRA" and write above "Beneficiary IRA"; and then for "Group Name/Number", write <b>91999</b>

Additional information helpful to the Insurance Company when transferring a Beneficial IRA:

- 1) RMD if taken and the amount and date,
- 2) 12/31 value of previous year,
- 3) Decedent's DOB and SSN, and
- 4) Relationship of beneficiary to the decedent.

### **Disclaimer**

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