

IRA Beneficiaries

In Order to Minimize Your Taxes and Let Your IRA Last as Long as Possible, Even for Generations

START HERE

When you die, your IRA will be inherited by your **Primary Beneficiary (ies)**. If the Primary(ies) die(s) first, your **Secondary Beneficiary(ies)** will inherit your IRA upon your death.

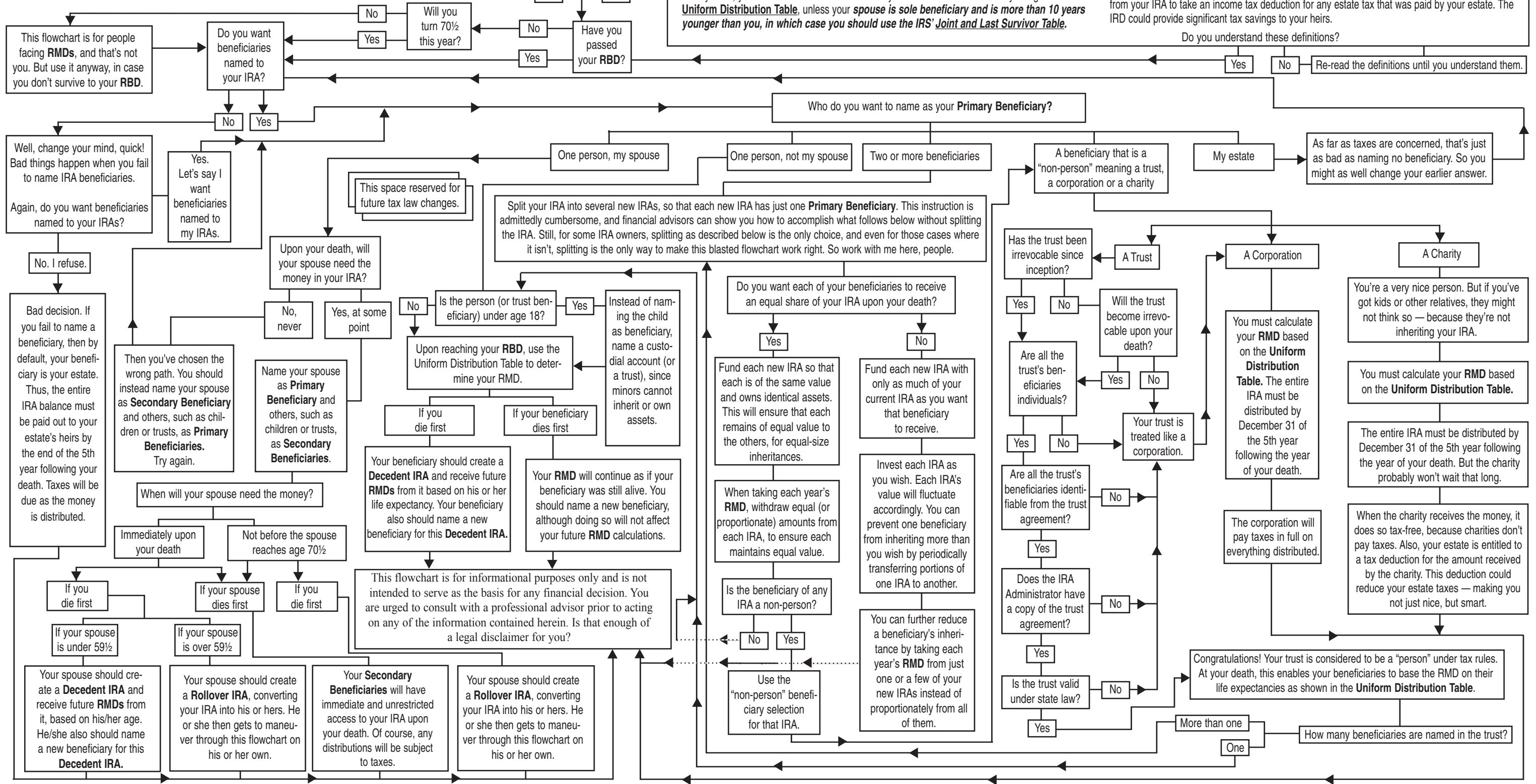
RBD is the Required Beginning Date, or April 1 of the year following the year you turn 70½.

RMD is the Required Minimum Distribution, or the amount of your IRA that you must withdraw beginning the year you turn 70½. You may delay taking your first RMD until April 1 of the following year, but if you do, you will have to take two RMDs that year. The RMD is calculated by using the IRS' **Uniform Distribution Table**, unless your *spouse is sole beneficiary and is more than 10 years younger than you, in which case you should use the IRS' Joint and Last Survivor Table*.

DEFINITION DITCH

When an IRA owner dies, the beneficiary might be able to convert the IRA into a **Decedent IRA**, which is held in the name of the deceased. The beneficiary then receives each year's RMD instead of the deceased, calculated by using the IRS' **Single Life Table**. If the beneficiary is the deceased's spouse, then the spouse may be able to convert the IRA to a **Rollover IRA**, which is owned by the spouse, who can then name his or her own beneficiary(ies).

IRD is Income with Respect to a Decedent. It enables your heirs who are receiving a distribution from your IRA to take an income tax deduction for any estate tax that was paid by your estate. The IRD could provide significant tax savings to your heirs.



IRAs are as complex as they are beneficial, and that's why you must take into consideration your income, other assets and family circumstances when making IRA-related decisions. Otherwise, you could suffer higher taxes than necessary. And because the rules change often, you must revisit your prior decisions. For all these reasons, you should obtain the services of a qualified advisor.