Clear Form

WELLS FARGO Advisors

IRA Beneficiary Claim

To claim the assets from a decedent's IRA, this form needs to be completed by the beneficiary. A separate form is required for each beneficiary. Before completing, read the important information on inheriting an IRA attached to this form. Do not use this form for Coverdell ESAs; use the ESA Request form.

If you wish to Disclaim all assets, complete the IRA Beneficiary Disclaimer Certification form. If you are claiming a portion of the assets and disclaiming a portion, you will need to **complete both this form and the IRA Beneficiary Disclaimer Certification form.** Disclaiming is Irrevocable and must be completed within nine months of the IRA owner's death. Once you disclaim, you cannot dictate who will inherit assets.

Important note concerning international claims: Please refer to the "International Claims" Section 3 below if this claim
(1) is being submitted by a beneficiary who resides in a country outside of the United States, or
(2) involves a decedent who resided outside of the United States at the time of their passing.

Section 1: Deceased IRA Holder's Information *(All fields must be completed)*

Name	Account Number

At the time of passing, Deceased IRA Holder resided:

☐ In the United States ☐ Outside of the United States (See "International Claims" Section 3)

Section 2: Beneficiary's Information *(All fields must be completed)*

Name of Individual/Trust/Estate/Charity

(If the beneficiary is a legal entity and subject to beneficial ownership requirements, an account must be opened for that beneficiary (corporations, non-profits, etc.))

SSN/TIN	Date of Birth (MM/DD/YYYY)

Current Address	Email

City	State	ZIP Code

Country	Phone Number

Investment and Insurance Products are:
- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

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Beneficiary resides: ☐ In the United States	☐ Outside of the United States (See below Section 3)	☐ Both	
Relationship to Original Account Holder ☐ Spouse	☐ Non-Spouse		
If Claiming an Inherited IRA, check here: ☐ Successor Beneficiary			

Section 3: International Claims

Additional Requirements:

In certain instances, if the decedent resided, or a beneficiary resides, outside of the United States, regardless of citizenship, the beneficiary may be required to:

(1) provide additional documentation and undergo additional processing requirements;
(2) establish an Inherited IRA account prior to distribution; and
(3) submit to Wells Fargo Clearing Services, LLC (WFCS) a copy of IRS "Transfer Certificates" specifically referencing the decedent's WFCS IRA account before any transfer instructions from the decedent IRA will be accepted.

IRS Transfer Certificates:

IRS Transfer Certificates are generally required when an IRA holder, regardless of their citizenship, passes away while residing outside of the United States and the decedent's total U.S. assets (held at WFCS and elsewhere) exceeded $60,000 in value at the date of death. In instances where IRS Transfer Certificates are required, the Transfer Certificates **must be obtained by the beneficiary, the heirs or executor of the decedent and provided to WFCS before assets are transferred out of the decedent's IRA account.** Applying for IRS Transfer Certificates requires filing certain documents with the U.S. Internal Revenue Service and may have tax implications for the decedent's estate. Consequently, any beneficiary, heir, executor, or estate administrator/representative who is seeking to resolve the decedent's IRA account is advised to consult a professional tax advisor. Please note that for IRS Transfer Certificates to be acceptable they must specifically identify (i.e., by account number) and release the decedent's WFCS IRA account.

Section 4: Beneficiary Election Options *(See attached information on "What to know when you inherit an IRA.")*

Beneficiary may only elect one option for their designated portion of the account.

Any RMD that should have been taken by the deceased in the year of death must be taken by the beneficiaries by December 31 of the year of death.

Spouse Only selection - If choosing the Spouse Only selection, provide the account number below and go to the "Client Signature and Acknowledgment" Section 7.

☐ **Roll Over/Treat as My Own.** Transfer assets to account number ______________________________

You may want to move the assets to an Inherited IRA if you are under age 59½. Distributions from your own IRA before age 59½ may have an IRS 10% additional tax for early or pre-59½ distributions (10% additional tax). Inherited IRA distributions have no 10% IRS tax penalty. You will have no required minimum distributions (RMDs) due from a Traditional IRA until you attain RMD age. There are no RMDs for Roth IRA owners. This is not an option if you are inheriting your spouse's Inherited IRA because you are a Successor Beneficiary.

Spouse and Non-Spouse selections - If choosing the Spouse and Non-Spouse selection for an Inherited IRA, provide the account number and Beneficiary Type below and go to the "Client Signature and Acknowledgment" Section 7.

☐ **Inherited IRA.** Move assets to account number ______________________________

Please select your beneficiary category from one of the three below and read the information on "*What to know when you inherit an IRA"* to learn more.

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If you do not select one of the below options we cannot assist you with the time this account is allowed to remain open under current law.

Your beneficiary category will determine your options for distributing the money. See the attached "What to know when you inherit an IRA."

Beneficiary Type (Select Only One type from the below options) See the attached "What to know when you inherit an IRA" for explanations on beneficiary type.

1. ☐ Designated Beneficiary (DB)
   - ☐ Non-spouse individual more than 10 years younger than IRA owner
   - ☐ Non-spouse individuals who are not disabled or chronically ill
   - ☐ Primary beneficiary of qualified "look-through" trust who is not the surviving spouse, or disabled or chronically ill individual
   - ☐ Child of the IRA owner who has exceeded age 21 and not chronically ill or disabled
2. ☐ Eligible Designated Beneficiary (EDB)
   - ☐ Surviving spouse
   - ☐ Disabled or chronically ill individuals
   - ☐ Individuals not more than 10 years younger, same age or older than the IRA owner
   - ☐ Primary beneficiary of qualified "look-through" trust who is the surviving spouse, or disabled or chronically ill individual
   - ☐ Child of the account owner who has not reached age of 21
   - ☐ Non-spouse beneficiary of IRA owners who died on or before 12/31/19
   - ☐ Qualified trust beneficiary of IRA owners who died on or before 12/31/19
3. ☐ Non-Designated Beneficiary (NDB)
   - ☐ Estate
   - ☐ Non-qualified trust
   - ☐ Charity

External Transfers:

In order to transfer your assets, we will require the receiving institution's transfer paperwork, which will include account number, account title (including decedent's name), delivery instructions, and letter of acceptance. All assets might not be transferable. Please work with receiving broker to determine if assets are transferable.

☐ **IRA to IRA/Inherited IRA (non-taxable transfer)**

☐ **IRA to non-IRA account (Taxable distribution)** (Please make sure to fill out the "Tax Withholding Certifications and Elections" Section 6.)

☐ **Lump Sum.** Please make sure to fill out the "Tax Withholding Certifications and Elections" Section 6. This is a taxable, irrevocable event. *Once a non-spouse beneficiary chooses to take a lump-sumdistribution, it cannot be rolled over into an Inherited IRA or his or her own IRA. In this situation, a spouse beneficiary would have 60 days to roll over to their own IRA if they meet the rollover requirements.You will* ***not*** *have a 10% additional tax on the distribution. Taxable distribution included as part of all ordinary income.* ***Complete "Payment Instructions" Section 5.***

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Section 5: Payment Instructions

Distribution Information

Any RMD that should have been taken by the deceased in the year of death must be taken by the beneficiaries by December 31 of the year of death.

Use Beneficiary Asset Worksheet (589387) to assist with uneven breakdowns

Method

☐ **Check** Payable to: ______________________________

☐ Mail to Address of Record ☐ Mail to above Recipient Address

☐ Hold for Pick-Up at Branch

☐ Mail to Address ______________________________

☐ **Transfer** To Account Number ______________________

Account Name ______________________________

☐ **Deposit electronically via ACH/Money Transfer.** This method requires completion of the ACH/Money Transfer information below.

ACH/Money Transfer Information

Name on Account	
Type of Account ☐ Checking or ☐ Savings	
Name of Bank	
Bank City	Bank State
ABA/Routing Number	Account Number to Credit

To have money deposited via ACH/Money Transfer into a non-Wells Fargo checking account, a voided check or copy of a bank statement is required and should be attached. Starter checks will not be accepted. For deposit into a savings account, a preprinted deposit slip is required. A letter from the client's financial institution with the client's name, the financial institution's routing number, and the client's account number is also acceptable. Transfers between WFA accounts and non-Wells Fargo Bank accounts are processed via Automated Clearing House ("ACH"). Transfers between Wells Fargo affiliated accounts are generally processed internally. Both types of transfers are reflected as ACH on statements.

☐ **FedWire Funds.** This method requires completion of the Federal Wire Funds Request.

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Federal Wire Funds Request *(Fee may apply)*

Do not complete this section if requesting an international wire; instead complete the International Wire Funds Request from IRA form and submit with this Beneficiary Claim form.

Bank Name		ABA Routing Number
Bank Address	Bank City	Bank State
Name on Bank Account		Account Number
Type of Account ☐ Checking ☐ Savings		
Recipient Name		
Phone Number	Local Routing Code (if applicable)	
Recipient Address (include City, State, Zip Code, and Country – No P.O. Box or APO)		
Special Instructions		
Future Credit (if applicable)		
Purpose of Wire		

In consideration of WFCS accepting the instructions on page one of this document, I hereby release and discharge WFCS and its affiliates from any liability or claims in connection with the aforementioned instructions and agree to indemnify and hold WFCS harmless against any losses from any action, claim, or demand of any person based upon WFCS acting under these instructions.

It is my responsibility to verbally verify the legitimacy of the source and the accuracy of instructions provided by any third party. Examples of third parties include, but are not limited to, title companies, attorneys, accountants, and business associates.

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Section 6: Tax Withholding Certifications and Elections

Required if the Lump Sum option was selected in the "Beneficiary Election Options" Section 4.

Make an election in the Federal Taxes section and choose one option in the State Taxes section. **You should consult with your tax advisor before making your elections.**

All IRA distributions are treated as "non-periodic" payments by the IRS. To opt out of federal or state withholding, enter a "0" for your withholding rate.

Federal Taxes *W-4R, OMB No.1545-0074*

You cannot elect out of the 10% mandatory withholding if you have not supplied the IRA Custodian with your correct SSN or TIN and a "residence address" within the United States.

For non-periodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 1. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.

1. Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions and Marginal Rate Tables below for additional information.

Enter the rate as a whole number (no decimal) ______ %

State Taxes

Withholding is required in some states if federal withholding applies, unless you specifically elect out please visit https://www.wellsfargoadvisors.com/irastatetax to view your state's specific withholding rules. State taxes will be withheld based on the state where the beneficiary(ies) reside. If you elect an amount that does not meet your states requirements, the minimum state withholding will be applied.

Residents of CA or VT:

If you elect to withhold federal taxes, the state withholding minimum rate for CA is 10% of federal withholding, or for VT is 30% of federal withholding. **See example below:**

- CA - If you request a $100 distribution and elect 15% for federal withholding, then the minimum for state withholding for CA would be 1.5% of the gross distribution or $1.50 unless you opt out of state tax withholding (10% of 15% is 1.5%)
- VT - If you request a $100 distribution and elect 15% for federal withholding, then the minimum for state withholding for VT would be 4.5% of the gross distribution or $4.50 unless you opt out of state tax withholding (30% of 15% is 4.5%).

Residents of MI:

If you elect out, you are certifying your distribution is not taxable because you were born before 1946 or you believe that you will not have a balance due on your MI-1040.

Residents of CT:

If you've opted out of state tax withholding or elected an amount to withhold for partial distributions, you are electing withholding code "E," as defined by Connecticut's form CT-W4.

Withhold state income tax of _________ %

Connecticut Perjury Declaration: I declare under penalty of law that I have examined this certificate and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for reporting false information is a fine of not more than $5,000, imprisonment for not more than five years, or both (as defined by the state of Connecticut on the CT-W4P).

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Section 7: Client Signature and Acknowledgment

By signing below, you:

- Certify the IRA holder is deceased, you are the beneficiary and the information provided is true and correct.
- Acknowledge that you have attached a copy of the Death Certificate to this form.
- Understand that you are responsible for calculating and taking the owner's RMD by December 31, if any is due.
- Assume full responsibility for any decisions regarding the inherited assets.
- Agree to consult with tax and legal professionals because WFCS has not given you any tax or legal advice.
- Have not relied on any information WFCS has provided to determine what action to take.
- Acknowledge that you received the beneficiary option pages and will retain for your records.

Following are Signature(s) for Beneficiary, Executor/Executrix, Charity Representative, Trustee Representative, Conservator/Guardian, or POA attorney in-fact (POA Document Required). ***Execution by more than one of the preceding parties may be required in certain instances.***

Signature 1 ***X***	Printed Name 1	Date Signed 1
Signature 2 ***X***	Printed Name 2	Date Signed 2
Signature 3 ***X***	Printed Name 3	Date Signed 3
Signature 4 ***X***	Printed Name 4	Date Signed 4

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Informational Page - Keep for your records, do not return
Additional Information Regarding Tax Withholding

- Generally, federal income tax withholding applies to the taxable part of payments made from pensions, profit-sharing stock bonus, annuity, and certain deferred compensation plans, from individual retirement arrangements (IRAs), and from commercial annuities. If you are receiving regularly scheduled distributions from a traditional IRA, you are subject to withholding. Because your tax situation may change from year to year, you may want to refigure your withholding each year.
- If you are a U.S. citizen or, resident non-US citizen and your address of record with us is outside the United States, its possessions, federal income taxes are required to be withheld in the amount of 10% from all IRA distributions. You may not elect out of this mandatory withholding.
- Generally, there is a mandatory federal tax withholding requirement of 30% on distributions for non-resident, noncitizens. Therefore, a 30% Federal withholding will be applied on all partial and total non-resident, non-US citizens IRA distributions.
- An election not to have federal income tax withheld is void if a TIN or SSN is not provided or when an obvious incorrect taxpayer identification number is furnished.
- In certain states, tax withholding is required on IRA distributions unless you specifically elect out of state withholding. States have various withholding requirements. You should consult your tax advisor or your state department of revenue for additional information.
- State withholding is not an option for states that do not have a state income tax.

Submit your completed form to:
Secure email (available from computers and tablets only):

1. Scan or take photos of your completed forms.
   - Include your Wells Fargo Advisors account number on each document.
   - Documents must be clear, legible, and include all pages.
2. Select www.wellsfargo.com/senddocument to access Message Center.
3. Scan or take photos of your completed forms.

2025 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding.

Important: Please refer to the Form W-4R instructions at IRS.gov W-4R Form for additional information regarding the form and how to use this table.

Single or Married filing separately		**Married filing jointly or Qualifying surviving spouse**		**Head of household**	
Total income over -	**Tax rate for every dollar more**	*Total income over -*	**Tax rate for every dollar more**	*Total income over -*	**Tax rate for every dollar more**
$0	**0%**	$0	**0%**	$0	**0%**
$15,000	**10%**	$30,000	**10%**	$22,500	**10%**
$26,925	**12%**	$53,850	**12%**	$39,500	**12%**
$63,475	**22%**	$126,950	**22%**	$87,350	**22%**
$118,350	**24%**	$236,700	**24%**	$125,850	**24%**
$212,300	**32%**	$424,600	**32%**	$219,800	**32%**
$265,525	**35%**	$531,050	**35%**	$273,000	**35%**
$641,350*	**37%**	$781,600	**37%**	$648,850	**37%**

* If married filing separately, use $390,800 instead for this 37% rate.

What to know when you inherit an IRA

When you inherit an IRA you will have many planning and distribution considerations. Your options will depend on if the IRA holder died before 2020 or after 2019. Some of your decisions will be based on your current needs, but your ultimate goal may be to maximize the value of the assets you received. We have prepared this information, based on the understanding of the current legislation, to help you be informed so that you can avoid common mistakes and make the most of this opportunity.

Tax considerations

Managing the amount you will pay in taxes is a key consideration when you inherit a Traditional IRA. When you inherit a Roth IRA, you need to understand if you will owe taxes when taking distributions.

No matter your age, you will avoid the IRS 10% additional tax for early or pre-59½ distributions (10% additional tax) on taxable amounts taken from the IRA you inherited. If you don't have an immediate need for the assets, it makes sense to have a plan to minimize distributions of the inherited assets so that you can preserve their tax-advantaged features.

Distributions from Inherited Roth IRAs

Whether you will take a lump-sum distribution, disclaim, or open an Inherited IRA, you first should understand the two types of Roth IRA distributions: ***qualified*** and ***non-qualified***.

- **Qualified distributions** from an Inherited Roth IRA are tax-free. Distributions are qualified if the Roth has been open for more than five years.
- **Non-qualified distributions** from Inherited Roth IRAs may be subject to tax, but not the 10% additional tax. When the Roth IRA owner died before the account had been funded for more than five years, distributions are non-qualified. The five-year clock will continue in the Inherited IRA and until that fifth year has been reached, the Roth ordering rules for distribution are followed.

  As long as your distributions are equal to or less than the total amount the IRA owner contributed and/or converted, you have no taxes due. Any earnings distributed before the account has been open for more than five years will be taxable.

Distributions from Inherited Traditional IRA

Income tax will apply to taxable amounts when distributions are taken from an Inherited Traditional IRA. Larger dollar amounts can quickly put you into a higher tax bracket, whereas taking smaller distributions over time can help avoid a significant tax bill.

Three categories of beneficiaries

Your beneficiary category will determine your options for distributing the money.

Below are the three categories of beneficiaries.

Non-Designated Beneficiary (NDB)	Designated Beneficiary (DB)	Eligible Designated Beneficiary (EDB)
• Estate • Non-qualified trust • Charity	• Non-spouse individuals more than 10 years younger than IRA owner • Non-spouse individuals who are not disabled or chronically ill • Primary beneficiary of qualified "look-through" trust who is **not** the surviving spouse, or disabled or chronically ill individual • Child of the IRA owner who has exceeded age 21	• Surviving spouses • Disabled or chronically ill individuals • Individuals not more than 10 years younger, the same age as, or older than IRA owner • Primary beneficiary of qualified "look-through" trust who is the surviving spouse, or disabled or chronically ill individual • Child of the IRA owner who has not reached the age 21

Understanding your options

You have a few decisions to make if you have been named as the beneficiary of an IRA. It is important to understand each option because certain distribution methods preserve the account's tax-advantaged status while others do not. Keep in mind that after a distribution is taken from IRA assets you inherit, unless you are the spouse, you are not able to put it back.

Beneficiary distribution options when an IRA holder dies after 2019

The following tables summarize the options you have, in an Inherited IRA, depending on if the IRA owner died before or on or after their required beginning date (RBD), generally April 1 following the year they turn required minimum distribution (RMD) age. RMD age is generally the year the IRA owner turned age 73 (if born after 1950), 72 (if born after 6/30/1949), or 70½ (born before 7/1/1949). Please note: If an IRA owner died before 2020, a non-spouse or qualified trust beneficiary has most of the options as an EDB. The 10-year rule only applies to beneficiaries when the IRA owner dies after 2019.

The Ten-year rule with RMDs are part of the IRS proposed regulations. IRS notice 2023-54 states final regulations will apply for calendar years beginning no earlier than 2024. Consult your tax professional for further guidance. Review the full IRS proposal via the Federal Register if you'd like to learn more.

Beneficiary category - Individual

A. Designated beneficiary:

Non-spouse more than 10 years younger than IRA owner, not chronically ill, or disabled, or minor not IRA owner's child

Original IRA owner dies **before** RBD - Ten-year rule

Original IRA owner dies **on or after** RBD - Ten-year rule with RMDs

B. Eligible designated beneficiary:

Spouse

Original IRA owner dies **before** RBD - Life expectancy or Ten-year rule

Original IRA owner dies **on or after** RBD - Life expectancy or Ten-year rule with RMDs

Disabled or chronically ill individuals

Original IRA owner dies **before** RBD - Life expectancy or Ten-year rule

Original IRA owner dies **on or after** RBD - Life expectancy or Ten-year rule with RMDs

Individuals not more than 10 years younger, the same age as, or older than IRA owner

Original IRA owner dies **before** RBD - Life expectancy or Ten-year rule

Original IRA owner dies **on or after** RBD - Life expectancy or Ten-year rule with RMDs

Child of the IRA owner who has not reached age of 21. *(Note: The account balance must be distributed by 12/31 of the 10th year after reaching age 21 (age 31), if they are not chronically ill or disabled as defined in the SECURE Act of 2019.)*

Original IRA owner dies **before** RBD - Life expectancy or Ten-year rule

Original IRA owner dies **on or after** RBD - Life expectancy or Ten-year rule with RMDs

Beneficiary Category - Entity

A. Non-Designated Beneficiary:

Non-Qualified Trust or Estate or Charity

Original IRA owner dies **before** RBD - Five-year rule

Original IRA owner dies **on or after** RBD - Life expectancy *(Note: RMDs based on IRA's owner's age and the single-life table divisor in year of death, that divisor is reduced by one each subsequent year.)*

B. Designated Beneficiary:

Primary beneficiary of qualified trust is a Designated Beneficiary.

Original IRA owner dies **before** RBD - Ten-year rule

Original IRA owner dies **on or after** RBD - Ten-year rule with RMDs

C. Eligible Designated Beneficiary:

Primary beneficiary of qualified trust is an Eligible Designated Beneficiary.

Original IRA owner dies **before** RBD - Can elect Life expectancy or Ten-year rule

Original IRA owner dies **on or after** RBD - Can elect Life expectancy or Ten-year rule with RMDs

(Note: The type of qualified trust (e.g. conduit or accumulation) and who the original trust beneficiary is makes a difference in how long the Inherited IRA for the trust can remain open. It also depends on if the trust that inherited the IRA has one or more than one beneficiary. Please note WFA does not interpret the trust and the trustee should seek competent advice to determine their exact distribution options based on their situation.)

Designated beneficiary

These beneficiaries are subject to the 10-Year Rule.

Ten-Year Rule: This option is available for Inherited Roth and Inherited Traditional IRAs. The Inherited IRA must be emptied by the 10th year following the year of the IRA owner's death. If the IRA owner died on or after their RBD, under the proposed IRS regulations the DB must take RMDs based on their life expectancy during the 10-year period. (These regulations are proposed; IRS notice 2023-54 states final regulations will apply for calendar years beginning no earlier than 2024. Consult your tax professional for further guidance. Review the full IRS proposal via the Federal Register if you'd like to learn more.) If the IRA owner died before their RBD or the IRA is a Roth then no distributions are required before the 10th year. Depending on the size of the account, you may want to spread distributions over the 10-year period.

Eligible designated beneficiary

This category has the most favorable distribution options. Beneficiaries can take distributions from their Inherited IRA based on their own life expectancies. The life expectancy option is often referred to as the stretch IRA strategy. (*Stretching an IRA simply refers to the ability to take RMDs over the beneficiary's single life expectancy (using the term-certain calculation method) rather than over the life expectancy of the original IRA owner.)*

- Minor children of the IRA owner can take RMDs based on their life expectancy until they reach the age of 21. Then, if they are not chronically ill or disabled as defined in the SECURE Act of 2019, they are subject to the Ten-Year Rule. The account balance must be distributed by 12/31 of the 10th year after reaching age 21 (age 31). If the IRA owner died on or after their RBD, under the proposed regulations RMDs would be required during the 10-year period.

Inherited IRA distribution options when an IRA owner died before 2020 and for EDB:

- **Life expectancy:** This option is available for Inherited Roth and Inherited Traditional IRAs. The Wells Fargo Clearing Services, (WFCS) LLC IRA Disclosure Statement and Custodial Agreement default is the Life Expectancy option. You may be subject to an IRS 25% excise tax for every dollar under-distributed. This tax can be reduced to 10% if corrected within two years from the date the tax is imposed.

- **Non-spouse beneficiary:** You will take annual RMDs but you can always take more than that amount. RMDs are based on your life expectancy using a divisor from the IRS Single Life Table and the prior year-end IRA value, on a term-certain basis. Qualified trusts use the age of the oldest trust beneficiary. Term-certain means that one is subtracted from the original divisor in each subsequent year. These RMDs will begin the year following the death of the IRA owner.

Non-spouse RMD Formula

$$\frac{\text{Prior Year-End Value}}{\left(\text{Single Life Table divisor for attained age in year following IRA owner's year of death} - \text{1 for each subsequent year}\right)} = \text{RMD}$$

- **Spouse beneficiary:** Establishing an Inherited IRA when you are under age 59½ allows you to avoid the 10% additional tax on pre-59½ distributions that you might have if the assets were taken from your own IRA. You always have the ability to transfer the Inherited IRA to your own IRA, even if you have been taking distributions. RMDs from this Inherited IRA will start:

- The year your deceased spouse would have reached RMD age, or

- The year following your spouse's death, if your spouse died on or after their RBD.

Annual RMD calculations are based on your life expectancy using a divisor from the IRS Single Life Table, the prior year-end IRA value, and utilizes the recalculation method. The recalculation method uses a new divisor from the table each year.

Spouse RMD Formula

$$\frac{\text{Prior Year-End Value}}{\text{Single Life Table divisor}} = \text{RMD}$$

Please note that the stretch IRA strategy is designed for investors who will not need the money in the account for their own retirement. There is no guarantee that there will be assets remaining in the account at the time of the IRA owner's death. *(When deciding whether to initiate a stretch IRA strategy, an investor should consider such factors as possible changes to tax laws, the impact of inflation, and other risks. Please note that designating a beneficiary two or more generations below the IRA owner may result in additional taxes when the distribution is made (exemptions may apply). Please consult with your tax advisor for more information.)*

Rollover/Transfer to own IRA

Only a spouse can roll over or transfer the funds into an IRA in his/her own name. An IRA keeps the funds in a tax-advantaged account and defers income taxes, if due, until distributions are taken. IRA distribution rules will apply based on the surviving spouse's age — meaning no RMDs from their Traditional IRA until he/she reaches RMD age and no RMDs from their Roth IRA. However, it may make sense for your surviving spouse to open an Inherited IRA because distributions taken from their own IRA, prior to age 59½ , may incur the 10% additional tax.

Non-designated Beneficiary

This category includes estates, charities, and non-qualified trusts. If the owner died on or after their RBD, RMDs are based on the IRA owner's age in year of death, divisor reduced by one each subsequent year. If the owner died before their RBD the 5-year rule is followed.

5-Year Rule: Empty the Inherited IRA by December 31 of the year containing the fifth anniversary of the owner's death.

Other options

These distributions choices are available to most beneficiaries.

- **Disclaim:** If you do not need or want the asset, you can disclaim, or refuse, all or a portion of the assets generally, within nine months after the IRA owner's death. The person who disclaims is considered to have predeceased the IRA owner and cannot dictate who will inherit the assets. If the per stirpes option has been selected then the disclaimed assets will go to that beneficiary's lineal descendants, generally children. If not, then the IRA passes to any other named primary beneficiaries or, if none, then to the named contingent beneficiary(ies). The IRA default beneficiaries may be used if there are no valid beneficiaries on file. Estates or trusts may be able to disclaim; please seek advice from your legal professional.

The beneficiary defaults on a WFCS IRA are:

- First, a surviving spouse

- Second, surviving children (as defined under state law)

- Third, the IRA holder's estate

- **Lump-sum:** This strategy will exhaust the entire account in one distribution, with retirement assets losing their tax-advantaged status. Taxes will be due on the taxable portion of the distribution in the year received and may place you in a higher tax bracket. Once a non-spouse beneficiary chooses to take a lump-sum distribution, it cannot be undone because contributions including 60-day IRA-to-IRA rollover contributions are not allowed in Inherited IRAs. In this situation, a spouse beneficiary would have 60 days to roll over the inherited assets into their own IRA, if they meet the roll over requirements.

Beneficiary Category - Successor

Original Beneficiary - Eligible Designated Beneficiary

Original IRA owner dies **before** RBD - Ten-year rule.

Original IRA owner dies **on or after** RBD - Ten-year rule with RMDs. *(These regulations are proposed; IRS notice 2023-54 states final regulations will apply for calendar years beginning no earlier than 2024. Consult your tax professional for further guidance. Review the full IRS proposal via the Federal Register if you'd like to learn more. RMDs based on original beneficiary's date of birth and date of death of the original IRA owner.)*

Original Beneficiary - Designated Beneficiary

Original IRA owner dies **before** RBD - Remaining years of the Ten-year rule.

Original IRA owner dies **on or after** RBD - Remaining years of the Ten-year rule with RMDs. *(These regulations are proposed; IRS notice 2023-54 states final regulations will apply for calendar years beginning no earlier than 2024. Consult your tax professional for further guidance. Review the full IRS proposal via the Federal Register if you'd like to learn more. RMDs based on original beneficiary's date of birth and date of death of the original IRA owner.)*

Successor beneficiary of an EDB: If you inherit an Inherited IRA from an EDB, you are a "successor" beneficiary and will have an Inherited/Inherited IRA. It is important to note that the Internal Revenue Code (IRC) does not let you start over and stretch inherited assets out over your own lifetime. Instead, you will use the 10-Year Rule. If the owner died on or after their RBD, under the proposed IRS regulations you must take RMDs based on the EDB's life expectancy using a divisor from the IRS Single Life Table and the prior year-end IRA value, on a term-certain basis during the 10-year period. If the owner died before their RBD or the IRA is a Roth then no distributions are required before the 10th year.

Successor beneficiary of a DB: If you inherit an Inherited IRA from a DB, you are a "successor" beneficiary and will have an Inherited/Inherited IRA. If the DB dies before the end of the 10th year and the account is still funded, you will have the remaining years of the DB's 10-Year Rule to empty the Inherited IRA. If the owner died on or after their RBD, under the proposed IRS regulations you must take RMDs based on the DB's life expectancy using a divisor from the IRS Single Life Table and the prior year-end IRA value, on a term-certain basis during the remaining years of the 10-year period. If the remaining single-life expectancy is less than the remaining years of the 10-year period, the account may be emptied sooner. If the owner died before their RBD or the IRA is a Roth then no distributions are required before the last year of the remaining years of the DB's 10-Year time frame.

Review your choices

Our firm understands your desire to maximize the benefits you can receive from your IRA inheritance. Please investigate all the options you have in regard to these assets with your tax and legal advisors before enacting a strategy. We look forward to helping you and your family with your financial goals and objectives.