

## **Update: Enhanced Life Expectancy Payment (LEP) Calculations**



To align with recent Secure Act guidelines, Axos Advisor Services has updated the LEP calculations on Liberty.

### **Beginning Monday, August 1:**

- Visibility of LEP value/Remaining Distribution calculations are available on Liberty which now reflect changes from the 2020 Secure Act.
- All beneficiary types (a LEP calculation element) defaulted to an aged-based beneficiary type. There will be a few exceptions previously identified, including entity and spouse beneficiaries.
- Your Client Service Advocate will provide you with a spreadsheet that will identify all Beneficiary IRA/Beneficiary Roth (BI/BR) accounts with a DATE OF DEATH (DOD) of 1/1/2020+ opened as of Friday, July 29, so that you may review to determine if the beneficiary is an Eligible Designated Beneficiary (EDB).
- A report will be provided to you monthly, presenting all beneficial IRAs opened in the prior month, so that you can easily identify this account population and submit the Eligible Designated Beneficiary election form if applicable.
- You'll be provided the Eligible Designated Beneficiary Election form for identified BI/BR account owners that you deem meet one or more of the EDB criteria referenced on the form. The account owner will select their election, sign and date the form, which you'll return to us for the system update.
- Your spreadsheet may also identify some BI/BR accounts where we were unable to determine the original decedent's DOD. We will need a copy of the death certificate, from which we'll capture the DOD so we can then provide the LEP calculation.

### **For BI/BR accounts opened on or after August 1, 2022, with a DOD of 1/1/2020+:**

- The LEP calculation will default to an aged-based beneficiary type. There will be a few exceptions including entity and spouse beneficiaries.
- The account owner will need to complete and remit the Eligible Designated Beneficiary Election form to change his or her beneficiary type.
- The account application is being updated to include the Eligible Designated Beneficiary Election.

If you have any questions or concerns related to our new process for LEP calculations, please contact your Client Service Advocate.

### **Investment Products: Not FDIC Insured - No Bank Guarantee - May Lose Value.**

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