

The SECURE Act 10-Year Beneficiary Distribution Options Summary



Beneficiary Types

Eligible Designated Beneficiaries (EDB)

- Spouse
- Individual no more than 10 years younger than original IRA/Roth account owner.
- Disabled person
- Chronically Ill person
- Minor child of original IRA/ Roth account owner ** EDB until child reaches age of 21, then will become Non-Eligible Designated Beneficiary (Non-EDB)

Non-Eligible Beneficiaries (Non EDB)

- Minor child beneficiary after reach age of 21
- All other named individual beneficiaries not listed above

Nonperson Beneficiaries/entities

- Charitable organizations
- Estate
- Trust

Death Before RBD – Traditional and Roth IRAs

PAYOUT OPTIONS: Pre RBD (before April 1st of the year following original IRA owner turning 72) IRA and Roth Accounts.

Spouse is Sole Designated Beneficiary	<ol style="list-style-type: none"> 1. Transfer to own IRA or Roth account. 2. Life Expectancy Payments** based on beneficiary's date of birth. Must begin the year following death of original IRA owner. 3. Follow new 10-year rule, account must be emptied by 10th year after death (if pass away 2021, final distribution made by 12/31/2031). 4. Lump Sum distribution.
Non-Spouse Beneficiary/ EDB	<ol style="list-style-type: none"> 1. Life Expectancy Payments** based on beneficiary's date of birth. Must begin the year following death of original IRA owner. <i>**Minor child can take until reach age of 21, once reaches age, will change from LEP to 10-year rule, (if turn age 21 in 2021, final distribution made by 12/31/2031).</i> 2. Follow new 10-year rule, account must be emptied by 10th year after death (if pass away 2021, final distribution made by 12/31/2031). 3. Lump Sum distribution
Non-Eligible Designated Beneficiary	<ol style="list-style-type: none"> 1. Follow new 10-year rule, account must be emptied by 10th year after death (if pass away 2021, final distribution made by 12/31/2031). 2. Lump Sum distribution
Non-individual (includes estates, entities, and non-qualified trusts)	<ol style="list-style-type: none"> 1. Follow the 5-year rule, account must be emptied by the 5th year after death (if pass away 2021, final distribution made by 12/31/2026). 2. Lump Sum distribution.



Death On or After RBD – Traditional IRAs

PAYOUT OPTIONS: Post RBD (on or after April 1st the year following original IRA owner turning 72) IRA accounts only.

Remaining RMD for year must be satisfied by all beneficiaries prior to transfer to BI account

Spouse is Sole Designated Beneficiary	<ol style="list-style-type: none"> 1. Transfer to own IRA account. 2. Life Expectancy Payments** based on beneficiary's date of birth. Must begin the year following death of original IRA owner. 3. Follow new 10-year rule, Life Expectancy payments must be made years 1-9 and account must be emptied by 10th year after death (if pass away 2021, final distribution made by 12/31/2031). 4. Lump Sum distribution.
Non-Spouse Beneficiary/EDB	<ol style="list-style-type: none"> 1. Life Expectancy Payments** based on beneficiary's date of birth. Must begin the year following death of original IRA owner. <i>*Minor child can take until reach age of 21, once reaches age 21, will change from LEP to 10-year rule, (if turn age 21 in 2021, final distribution made by 12/31/2031).</i> 2. Follow new 10-year rule, Life Expectancy payments must be made years 1-9 and account must be emptied by 10th year after death (if pass away 2021, final distribution made by 12/31/2031). 3. Lump Sum distribution.
Non-Eligible Designated Beneficiary	<ol style="list-style-type: none"> 1. Follow new 10-year rule, Life Expectancy payments** must be made years 1-9 and account must be emptied by 10th year after death (if pass away 2021, final distribution made by 12/31/2031). 2. Lump Sum distribution
Non-individual (includes estates, entities, and non-qualified trusts)	<ol style="list-style-type: none"> 1. Life Expectancy Payments** based on original IRA owner's (decedent) date of birth. Distributions must start by December 31 of the year following account owner's death. 2. Lump Sum distribution.

** Life Expectancy Tables have changed for 2022, so if the IRA owner passed away:

Before 1/1/2020, the beneficiary will follow the old rules and the old Single Life Expectancy Table

Between 1/1/2020 and 12/31/2020, the beneficiary will follow the new rules and the old Single Life Expectancy Table

After 1/1/2021 the beneficiary will follow the new rules and the new Single Life Expectancy Table.



If you have any questions about distribution options on IRAs, please contact your tax advisor or the IRS helpline at 1-800-829-1040.



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