

Update: Processing of deceased account owner accounts to their beneficiaries reminder



We recently updated our process for deceased account holders and want to educate you on how to process these transactions going forward.

Q: I have an IRA account where the owner has passed. What should I do?

- 1) Place an establish termination date on the account.
- 2) Fees will assess to the account overnight or you can upload your final fees.
- 3) Trade for final fees if needed.
- 4) Sweep your final fees.
- 5) ***If you want to collect your final fees, submit the death certificate after fees have assessed and swept.*** Once we process the death certificate, the account is then restricted from trading and fee assessment.
- 6) If an RMD or LEP is still due on the decedent's account, Axos will notify you of that amount – RMD/LEP will be processed from the Beneficiary IRA/ROTH account at Axos or contra firm. RMD/LEP will not be processed from the decedent's account.

Q: What happens if I add a sell termination for trades to generate in the overnight cycle and submit the death certificate that same day? Once we receive and process the death certificate the account is frozen. ***Trades will NOT build in the overnight cycle.***

Q: AAS advised me that the decedent account had a remaining RMD or LEP that needs to be satisfied. How does a beneficiary request their beneficial portion of the RMD or LEP? The payment needs to be requested from the beneficial/inherited IRA at Axos or the new custodian. If requesting the beneficial IRA at Axos, submit a completed Beneficiary Distribution Request form. Ensure that the *Gross cash amount* or *Net cash amount* in section 4B has been completed with the dollar amount needed.

Q: What can a beneficiary do with their beneficial portion? Beneficiaries have three choices:

- 1) Take full distribution via check, ACH or wire.
- 2) Open a beneficial/inherited IRA with Axos and transfer account to it.
- 3) Open a beneficial/inherited IRA at another custodian and transfer account to it.

Q: Once I have added the establish termination date on the account, how do I move the account to the beneficiaries? Submit a completed Beneficiary Distribution Request form, one for each beneficiary. Ensure the following sections have been marked:

- 1) Select *Death* in section 3 – **Do not select RMD**
- 2) Select *Full cash distribution* or *Full in-kind distribution* in section 4A.
- 3) Select federal and state withholding elections in section 5.
- 4) Select one *Distribution Method* in section 7.

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

Axos Advisor Services is a trade name of Axos Clearing LLC. Axos Clearing LLC provides back-office services for registered investment advisers. Neither Axos Advisor Services nor Axos Clearing LLC provides investment advice or make investment recommendations in any capacity. Securities products are offered by Axos Clearing LLC, Member FINRA & SIPC. Axos Clearing, LLC does not provide legal, accounting, or tax advice. Always consult your own legal, accounting, and tax advisors.

**Update: Processing of
deceased account owner
accounts to their
beneficiaries reminder**



Please note that for accounts where a decedent passed before our new policy and an RMD was already taken by at least one beneficiary, we will not be able to process any transfers or distributions until all beneficiaries have taken their portion of the RMD. (Prior policy)

If you have any questions about how accounts will be handled in the event of a death of a client, please contact your Client Service Advocate.

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

Axos Advisor Services is a trade name of Axos Clearing LLC. Axos Clearing LLC provides back-office services for registered investment advisers. Neither Axos Advisor Services nor Axos Clearing LLC provides investment advice or make investment recommendations in any capacity. Securities products are offered by Axos Clearing LLC, Member FINRA & SIPC. Axos Clearing, LLC does not provide legal, accounting, or tax advice. Always consult your own legal, accounting, and tax advisors.