

For discussion purposes only. This chart does not represent tax, accounting, or legal advice. It is meant only to provide guidelines on generic situations. The individual taxpayer is advised to and should rely on their own advisors.

This work is for discussion purposes only and intended to provide general information about the laws applicable to retirement benefits. The author, his firm or anyone forwarding or reproducing this work shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to be caused, directly or indirectly by the information contained in this work. This work does not represent tax, accounting, or legal advice. Not for use or distribution to the general public.

REQUIRED MINIMUM DISTRIBUTIONS (RMDs) UPON THE DEATH OF A BENEFICIARY UNDER IRC § 401(a)(9)

Original IRA Owner Died Prior to Required Beginning Date

Original Owner Died On or After Required Beginning Date

Beneficiary	Original IRA Owner Died Prior to Required Beginning Date	Original Owner Died On or After Required Beginning Date
Spouse - Inherited IRA (No rollover)	(1) If the surviving spouse dies prior to the end of the year in which the owner would have been age 70 1/2, the surviving spouse is deemed to be the owner/participant and a beneficiary is determined as of September 30th of the year following the year of the surviving spouse's death. The RMDs will then be based on such surviving spouse's beneficiary's life expectancy under the 401(a)(9) rules. See Examples 1 and 2. (2) If the surviving spouse dies on or after the end of the year in which the owner would have reached age 70 1/2, an RMD for the current year must be taken if not taken by the surviving spouse during his/her life. Thereafter, RMDs are calculated based upon the now deceased surviving spouse's life expectancy by reference to his or her attained age in the year of death by reference to the Single Life Table. The initial factor is then reduced by one for each subsequent year that has elapsed (i.e. "minus one method"). See Examples 3 and 4.	During the life of the spouse, the applicable distribution period is the longer of: (1) the surviving spouse's life expectancy based on the Single Life Table using the surviving spouse's attained age in each distribution calendar year after the calendar year of the employee's death up through the calendar year of the spouse's death; or (2) the life expectancy of the deceased spouse under the Single Life Table using the age of the deceased spouse as of his or her birthday in the year of death, whereby in subsequent years, this factor is reduced by one for each passing year. At the death of the surviving spouse , the RMD for the year of death must be withdrawn for the year of death (if not already taken by the surviving spouse during his or her lifetime). For subsequent years, the RMD factor is fixed based upon the method employed above. If surviving spouse's life expectancy is being used, his or her life expectancy is now fixed based upon the age of the surviving spouse in the year of death by reference to the Single Life Table using the minus one method. See Example 5.
Spouse - Rollover	Because the surviving spouse is the owner/participant, RMDs will be based (under the 401(a)(9) rules) on the surviving spouse's beneficiary's life expectancy as of September 30th of the year following the year of the surviving spouse's death. See Examples 6-8.	Because the surviving spouse is the owner/participant, RMDs will be based (under the 401(a)(9) rules) on the surviving spouse's beneficiary's life expectancy. The spouse's beneficiary is determined as of September 30th of the year following the year of the surviving spouse's death.
Non-Spouse Individual Beneficiary	Continue using the same payout method utilized prior to death of beneficiary (using the minus one method). See Example 9.	Continue using the same payout method utilized prior to death of beneficiary (using the minus one method).
Accumulation Trust for the Benefit of Spouse	Continue using the same payout method utilized prior to death of surviving spouse (using the minus one method). See Example 10.	Continue using the same payout method utilized prior to death of surviving spouse (using the minus one method).
Conduit Trust for the Benefit of Spouse (Assuming Designated Beneficiary Status)	(1) If the surviving spouse dies prior to the end of the year in which the owner would have been age 70 1/2, under PLR 200644022, the five year rule applies. In PLR 200644022, the IRS held that the surviving spouse was to be treated as the owner (because the trust was a conduit trust for her benefit) and did not have a designated beneficiary even though the trust for her benefit had contingent beneficiaries. See Example 11. (2) If the surviving spouse dies on or after the end of the year in which the owner would have reached age 70 1/2, an RMD for the current year must be taken. Thereafter, RMDs are calculated based upon the now deceased surviving spouse's life expectancy by reference to his or her attained age in the year of death by reference to the Single Life Table using the minus one method. See Example 12.	During the life of the surviving spouse, the applicable distribution period is the longer of: (1) the surviving spouse's life expectancy based on the Single Life Table using the surviving spouse's attained age in each distribution calendar year after the calendar year of the employee's death up through the calendar year of the surviving spouse's death; or (2) the life expectancy of the deceased spouse under the Single Life Table using the age of the deceased spouse as of his or her birthday in the year of death, whereby in subsequent years, this factor is reduced by one for each passing year. At the death of the surviving spouse , the RMD for the year of death must be withdrawn for the year of death (if not already taken by the surviving spouse during his or her lifetime). For subsequent years, the RMD factor is fixed based upon the method employed above. If surviving spouse's life expectancy is being used, his or her life expectancy is now fixed based upon the age of the surviving spouse in the year of death by reference to the Single Life Table using the minus one method. See Example 13.

Pursuant to the rules of professional conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, nothing contained in this communication was intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service, and it cannot be used by any taxpayer for such purpose. No one, without our express prior written permission, may use or refer to any tax advice in this communication in promoting, marketing, or recommending a partnership or any other entity, investment plan or arrangement to any other party.

For discussion purposes only. This chart does not represent tax, accounting, or legal advice. It is meant only to provide guidelines on generic situations.

REQUIRED MINIMUM DISTRIBUTIONS (RMDs) UPON THE DEATH OF A BENEFICIARY UNDER IRC § 401(a)(9)

-EXAMPLES-

Example 1	Alex died before his required beginning date and named his wife, Esmeralda, as beneficiary of his IRA. Esmeralda does not perform a spousal rollover. Esmeralda named her son, Devin, as beneficiary of her inherited IRA. Esmeralda dies before December 31st of the year in which Alex would have reached age 70 1/2. Upon Esmeralda's death, RMDs will be calculated based on Devin's life expectancy by reference to the Single Life Table under the "minus one method." *
Example 2	Alex died before his required beginning date and named his wife, Esmeralda, as beneficiary of his IRA. Esmeralda does not perform a spousal rollover. Esmeralda does not name a beneficiary of her inherited IRA. Esmeralda dies before December 31st of the year in which Alex would have reached age 70 1/2. Because she did not name a beneficiary, Esmeralda's inherited IRA is payable to her estate. The five year rule applies.
Example 3	Alex died before his required beginning date and named his wife, Esmeralda, as beneficiary of his IRA. Esmeralda does not perform a spousal rollover. Esmeralda named her son, Devin, as beneficiary of her inherited IRA. Esmeralda dies after December 31st of the year in which Alex would have reached age 70 1/2. Upon Esmeralda's death, RMDs will be calculated based on Esmeralda's life expectancy by reference to the Single Life Table using the "minus one method."
Example 4	Alex died before his required beginning date and named his wife, Esmeralda, as beneficiary of his IRA. Esmeralda does not perform a spousal rollover. Esmeralda does not name a beneficiary of her inherited IRA. Esmeralda dies after December 31st of the year in which Alex would have reached age 70 1/2. Because she did not name a beneficiary, Esmeralda's inherited IRA is payable to her estate. RMDs are based on Esmeralda's life expectancy under the Single Life Table using the "minus one method."
Example 5	Alex died after his required beginning date and named his wife, Esmeralda, as beneficiary of his IRA. Esmeralda does not perform a spousal rollover. Upon Esmeralda's death, RMDs are based on Esmeralda's life expectancy under the Single Life Table using the "minus one method."
Example 6	Alex dies after naming his wife, Esmeralda, as beneficiary of his IRA. Esmeralda performs a spousal rollover. Esmeralda named her son, Devin, as beneficiary of her inherited IRA. Upon Esmeralda's death, RMDs will be calculated based on Devin's life expectancy by reference to the Single Life Table using the "minus one method."
Example 7	Alex dies after naming his wife, Esmeralda, as beneficiary of his IRA. Esmeralda performs a spousal rollover. Esmeralda does not name a beneficiary of her IRA. Esmeralda dies before her required beginning date. Because she did not name a beneficiary, Esmeralda's IRA is payable to her estate. The five year rule applies.
Example 8	Alex dies after naming his wife, Esmeralda, as beneficiary of his IRA. Esmeralda performs a spousal rollover. Esmeralda does not name a beneficiary of her IRA. Esmeralda dies after her required beginning date. Because she did not name a beneficiary, Esmeralda's IRA is payable to her estate. RMDs are based on Esmeralda's life expectancy under the Single Life Table using the "minus one method."
Example 9	Melissa dies after naming her son, Nicholas, as beneficiary of her IRA. Nicholas dies several years after Melissa. Upon Nicholas' death, RMDs will continue to be calculated in the same manner that they were when Nicholas was alive - based on Nicholas's life expectancy by reference to the Single Life Table under the "minus one method."
Example 10	Alex dies after naming an accumulation trust as beneficiary of his IRA. The trust qualifies as a designated beneficiary. Alex's wife, Esmeralda, is the oldest beneficiary of the accumulation trust. Esmeralda dies several years after Alex. Upon Esmeralda's death, RMDs will continue to be calculated in the same manner that they were when Esmeralda was alive - based on Esmeralda's life expectancy by reference to the Single Life Table under the "minus one method."
Example 11	Alex dies before his required beginning date and after naming a conduit trust as beneficiary of his IRA. The trust qualifies as a designated beneficiary. Alex's wife, Esmeralda, is the primary beneficiary of the conduit trust. Esmeralda dies before December 31st of the year in which Alex would have reached age 70 1/2. Upon Esmeralda's death, under PLR 200644022, the five year rule will apply.
Example 12	Alex dies before his required beginning date and after naming a conduit trust as beneficiary of his IRA. The trust qualifies as a designated beneficiary. Alex's wife, Esmeralda, is the primary beneficiary of the conduit trust. Esmeralda dies after December 31st of the year in which Alex would have reached age 70 1/2. Upon Esmeralda's death, RMDs are based on Esmeralda's life expectancy under the Single Life Table using the "minus one method."
Example 13	Alex dies after his required beginning date and after naming a conduit trust as beneficiary of his IRA. The trust qualifies as a designated beneficiary. Alex's wife, Esmeralda, is the primary beneficiary of the conduit trust. Upon Esmeralda's death, RMDs are based on Esmeralda's life expectancy under the Single Life Table under the "minus one method."

* Under the "minus one method," the initial distribution is determined based on the applicable person's attained age in the first year. In subsequent years, this initial factor is reduced by one for each calendar year that has elapsed since the first distribution year.