






SIMPLIFIED TRADITIONAL AND ROTH DISTRIBUTION OPTIONS

(SEP and SIMPLE Follow Traditional IRA Guidelines)

Terms of the plan or IRA documents will specify distribution options, but generally the following will apply.

Beneficiary Type (As defined by the IRS)	TRADITIONAL IRA BEFORE RBD of RMD	TRADITIONAL IRA ON or AFTER RBD of RMD	ROTH (Death is assumed in all scenarios – No RMD Requirements)	Documents Needed*
 Eligible Designated Beneficiary (EDB) - Spouse	<ul style="list-style-type: none"> Lump Sum Spousal Transfer Inherited Life Expectancy Inherited 10-Year Rule 	<ul style="list-style-type: none"> Lump Sum Spousal Transfer Inherited Life Expectancy 	<ul style="list-style-type: none"> Spousal Transfer Inherited 10-Year Rule Inherited Life Expectancy 	<input type="checkbox"/> Decedent death certificate
 EDB – Non-Spouse	<ul style="list-style-type: none"> Lump Sum Inherited Life Expectancy Inherited 10-Year Rule 	<ul style="list-style-type: none"> Lump Sum Inherited Life Expectancy 	<ul style="list-style-type: none"> Lump Sum Inherited 10-Year Rule Life Expectancy 	<input type="checkbox"/> Heir's birth certificate (minors only) <input type="checkbox"/> Decedent death certificate
 Designated Beneficiary (DB)	<ul style="list-style-type: none"> Lump Sum Inherited 10-Year Rule 	<ul style="list-style-type: none"> Lump Sum Inherited Life Expectancy and 10-Year Rule 	<ul style="list-style-type: none"> Lump Sum Inherited 10-Year Rule 	<input type="checkbox"/> Heir's birth certificate (minors only) <input type="checkbox"/> Decedent death certificate
 Non-Person Beneficiary (NPB)	<ul style="list-style-type: none"> Lump Sum Inherited 5-Year Rule 	<ul style="list-style-type: none"> Lump Sum Single Life Expectancy 	<ul style="list-style-type: none"> Lump Sum Inherited 5-Year Rule 	<input type="checkbox"/> Decedent death certificate <input type="checkbox"/> Letter of testamentary <input type="checkbox"/> Copy of the Trust designated as the beneficiary
 Non-Person Beneficiary (NPB) – Qualified Trust	<ul style="list-style-type: none"> Lump Sum Inherited 10-Year Rule 	<ul style="list-style-type: none"> Lump Sum Single Life Expectancy 	<ul style="list-style-type: none"> Lump Sum Inherited 10-Year Rule 	<input type="checkbox"/> Decedent death certificate <input type="checkbox"/> Letter of testamentary <input type="checkbox"/> Copy of charity's 501(C)(3) form

*Beneficiary identification information will be required when submitting paperwork to STRATA. Other documents may be requested by STRATA to process the beneficiary claim depending on the individual circumstances. In all scenarios, the beneficiary(ies) has the option to disclaim part or all.

STRATA Trust Company ("STRATA") performs the duties of a directed (passive) custodian, and as such does not provide due diligence to third parties regarding prospective investments, platforms, sponsors, dealers, or service providers. As a custodian, STRATA does not sponsor, endorse, or sell any investment and is not affiliated with any investment sponsor, issuer, or dealer. STRATA does not provide investment, legal, or tax advice. Individuals should consult with their investment, legal, or tax professionals for such services.




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

DISTRIBUTION OPTION KEY TERMS

Inherited 10-Year or 5-Year Rules	A designated beneficiary is required to liquidate the account by the end of the 10 th or 5 th year following the year of death of the IRA owner – whichever applies.	Required Beginning Date (RBD)	The date on which IRA accountholders must start taking their RMD. Typically, April 1 of the year after an accountholder reaches 73.
Disclaim Part or All	A beneficiary may disclaim a whole or partial interest in an IRA (IRC Sec. 2518).	Required Minimum Distribution (RMD)	The minimum amount IRA accountholders must withdraw every year once they reach the age of 73.
Inherited Life Expectancy	The minimum payment amount that must be taken by a beneficiary from an inherited IRA is based on the current owner's life expectancy as determined by the IRS Single Life Expectancy Table .	Spousal Transfer (or Treat as Own)	A spouse EDB can treat the IRA as their own, designating themselves as the account owner.
Lump Sum	Single one-time payment of any remaining IRA holdings.		

BENEFICIARY DEFINITIONS

(As defined by the IRS)

 Eligible Designated Beneficiary (EDB)	<p>Spouse - As defined by state and federal guidelines.</p> <p>Non-Spouse</p> <ul style="list-style-type: none"> • Minor children of the decedent (<21) • Individuals who are chronically ill • Individuals that are permanently disabled • Individuals 10 years younger or less than decedent
 Designated Beneficiary (DB)	<p>Any person that is not considered an "Eligible" designated beneficiary, such as a person over the age of 18 (i.e. friend, or family member).</p>
 Non-Person Beneficiary (NPB)	<ul style="list-style-type: none"> • A tax-exempt charity under federal law • A non-qualified trust • The decedent's estate • Qualified trust [meets the requirements of Treasury Regulations. 1.401(a)(9)-4, Q&A 5(b)] <ol style="list-style-type: none"> 1. The trust is valid under state law, 2. The trust is irrevocable (either during the IRA owner or plan participant's life or becomes irrevocable at his/her death), 3. The trust has identifiable beneficiaries, and 4. The trustee of the trust provides the IRA or plan administrator with a copy of the trust instrument (or qualifying trust documentation) by October 31 of the year following the year of the IRA owner or plan participant's death.

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