



Important Information for Beneficiaries of IRA Contracts

If you are the beneficiary of an IRA contract, you need to be aware of certain special rights and requirements.

IRA contract owners must begin taking distributions, known as Required Minimum Distributions or RMDs, from their North American annuity contract. These distributions must occur by April 1 of the year following the owner turning 70½. This date is known as the Required Beginning Date (RBD).

Certain distribution options are available to you as the beneficiary. These options depend on whether the contract owner(s) died before, on, or after the RBD.

Death Before the Required Beginning Date

Generally, if owners die before the RBD, death benefit proceeds must be distributed within 5 years of their death.

Proceeds may be paid out over your life expectancy (or a period not to exceed your life expectancy). These payments must begin no later than December 31 of the year following their death.

Death On or After the Required Beginning Date

If death occurs on or after the RBD, you may elect a lump sum distribution or have the contract value paid out over your life expectancy (or a period not to exceed your life expectancy). Payments must begin by December 31 of the year following their death.

In situations where death occurs after the RBD, you must satisfy the RMD by December 31 of the current tax year. The request to process this RMD must be received in our office no later than December 15. You are also responsible for meeting any minimum distribution requirements for all following years until the death benefit is distributed.

Death On or After the Required Beginning Date

If death occurs on or after the RBD, you may elect a lump sum distribution or have the contract value paid out over your life expectancy (or a period not to exceed your life expectancy). Payments must begin by December 31 of the year following their death.

A unique opportunity available to non-spouse beneficiaries of IRA contracts is the Multi-Generational Distribution Option, sometimes referred to as a Stretch IRA Option. This option allows you to stretch out death benefit distributions over an additional life expectancy. This also stretches the tax liability over that same time period.

If you have questions, please contact us toll free at
(800) 833-0558
regarding your options as a beneficiary.