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California
RETIREMENT
Advisors

Personal Wealth Management For Retirement

Not to be confused with the popular ABC sitcom, this issue demonstrates the intricacies involved with spousal IRA beneficiary planning.

“Janice”

A woman in her early 40s



“Roger”

“Janice’s” husband, a man approaching the magical IRA age of 70 ½

Roger passes away, leaving his IRA to his wife. Next year, when Roger would have turned age 70 ½, Janice is left with a choice.

1. Remain beneficiary of the account

- a. Would allow her to take penalty-free distributions before she reaches age 59 ½
- b. Would subject her to RMDs (required minimum distributions)
- c. Would subject her beneficiaries to using her life expectancy to calculate RMDs if she passed away

2. Do a spousal rollover

- a. Would **NOT** provide her with penalty-free distributions – subject to 10% penalty on all distributions before she reaches age 59 ½
- b. Would eliminate RMDs until she reaches age 70 ½
- c. Would allow her beneficiaries to use their own life expectancy to calculate RMDs when she passes away

Analyze your particular situation with
Chris Cordoba by calling 310-643-7472.



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