THE modern family CONUNDRUM

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.

ED SLOTT'S ELITE IRA ADVISOR GROUP℠

IRA Focus
EDUCATION THAT PROMOTES ACTION