

Client Name

Beneficiary Designation Summary

Overview – One of the most important estate planning tools is the beneficiary designation you place on certain assets and insurance policies. The retirement plan custodian or the insurance carrier will only send the funds to the named beneficiary or contingent beneficiary – even if your intention was to leave these funds to a different person! If no beneficiary is named the funds will go to the estate of the decedent and there may be serious tax consequences. Please list the asset or policy below with the names and relationship of the beneficiary. Provide this list to your advisors and family if appropriate.

Retirement accounts (IRA, 401(k), etc)	Custodian / Carrier	Account Number	Primary Beneficiary	Contact Information	Contingent Beneficiary	Contact Information
Insurance Policy	Custodian / Carrier	Policy Number	Primary Beneficiary	Contact Information	Contingent Beneficiary	Contact Information
Annuity Contract	Custodian / Carrier	Policy Number	Primary Beneficiary	Contact Information	Contingent Beneficiary	Contact Information
Miscellaneous	Custodian / Carrier	Policy Number	Primary Beneficiary	Contact Information	Contingent Beneficiary	Contact Information

Beneficiary Designations – “How to get back at your family!”

Paul S. Viren, CLU, ChFC, AEP®

Premise of the presentation – The power of the beneficiary designation can and will affect the estate plan. It can make life wonderfully easy for the family and personal representative or it can cause financial harm. It is a ticking time bomb that we as advisors often overlook.

We often forget to ask our clients who they have listed as beneficiaries.

What types of assets can be distributed by beneficiary designation?

Life Insurance (group, personal, corporate)

Disability and Long term care

Annuities, deferred and immediate

Company and state owned managed Define Benefit Pension plans

Retirement Plans (IRA's, 401(k)'s, etc)

VEBA accounts

Charitable Gift Annuities, CRUT's, CRAT's, etc.

529 plans

Situations that can add drama to the beneficiary designation –

Divorce and marriage – keeping beneficiary designations current

Death of a child or estrangement of a child

Underage beneficiaries

Disabled beneficiary (young or old on Medicaid)

Company owned life insurance for Buy Sell (or cross owned life insurance)

Key person life insurance (no longer key but company can keep the policy...)

Retirement accounts that have outdated information

Paul S. Viren, CLU, ChFC, AEP®

Spokane, WA 99201

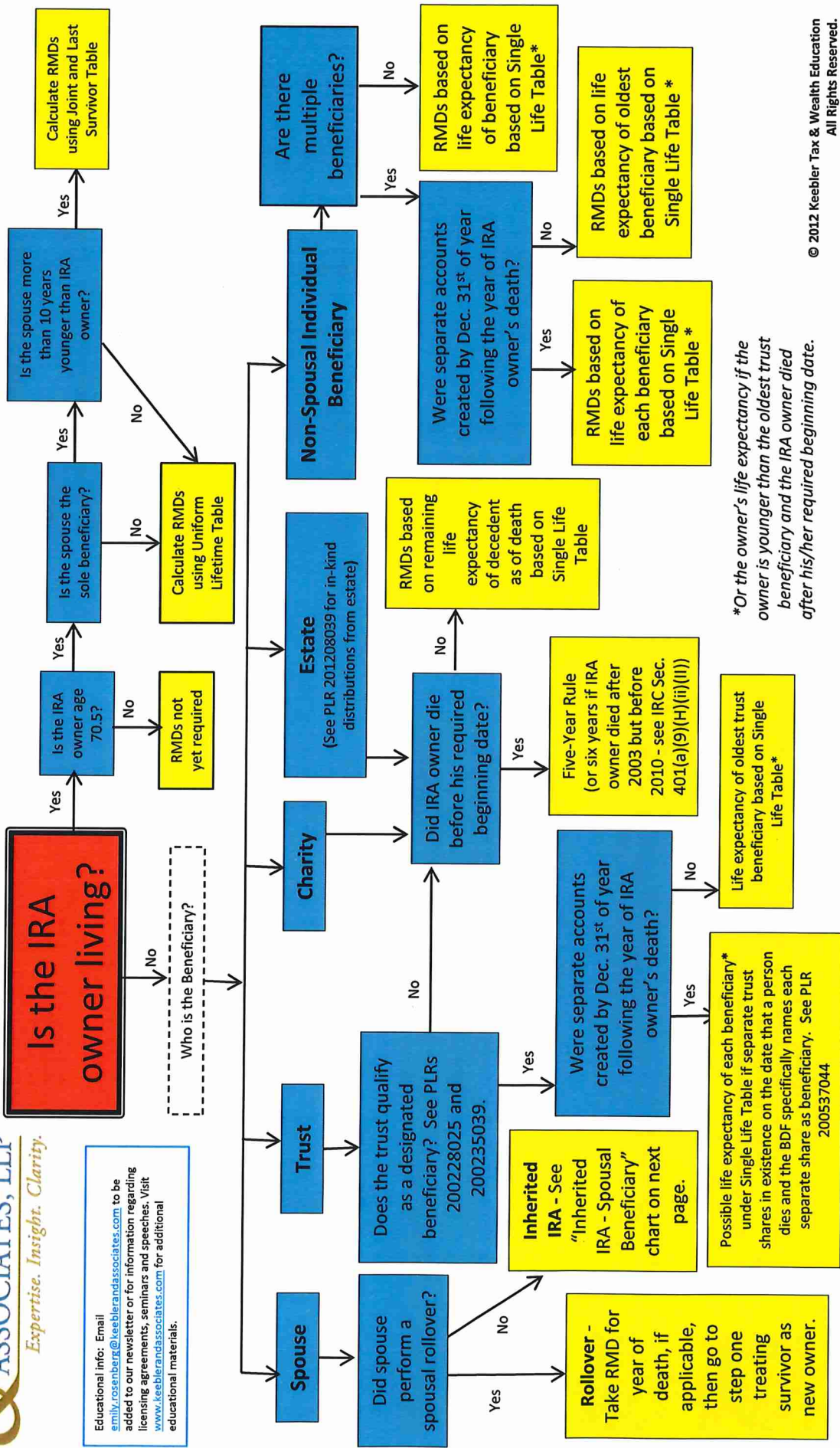
paul@virenandassociates.com

509-462-0747

Sample “Qualified” language to be written in the testamentary trust.

Notwithstanding the foregoing, in the event that any Trust hereunder is the recipient of 401(k), 403(b), IRA or other pension benefits as designated Beneficiary of such accounts owned by the decedent, the Trustee shall determine the amount of the Required Minimum Distribution (RMD) to be paid to the Beneficiary in order to meet the requirements for continued qualification of this Trust as a qualified Beneficiary of the IRA under IRC §409(a)(9). In the event that such qualification requires the segregation of said assets with a separate fund, my Trustee is specifically authorized to take the necessary steps to qualify, maintain the integrity and intent of this Trust to the extent possible. The Trustee shall make payments of the RMD amount to the Beneficiary on or before December 31 of each year, with any such distribution without violating the terms of the Trust, so as to continue as a Qualified IRA Beneficiary. The first such distribution shall be made on or before December 31 of each year following the year of the account holder’s death. All distributions made from this Trust to the Beneficiary shall first be treated as distributions to meet the RMD requirements to the extent possible.

TRADITIONAL IRA DISTRIBUTION FLOWCHART



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**Or the owner's life expectancy if the owner is younger than the oldest trust beneficiary and the IRA owner died after his/her required beginning date.*

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Inherited IRA - Spousal Beneficiary

Owner Dies Before RBD

Spouse may defer required distributions until the year the owner would have reached age 70 1/2. Thereafter, RMDs are calculated based upon spouse's life expectancy by referencing her attained age for the year of distribution under the Single Life Table. For each succeeding year, this process is repeated. (RECALCD)

Owner Dies After RBD

RMD for year of death must be taken based upon decedent's life expectancy factor under the Uniform Lifetime Table. Thereafter, 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 birthday for each distribution calendar year after the calendar year of the employee's death up through the calendar year of the spouse's death. For each succeeding year, this process is repeated. (RECALCD); 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.

Non-Designated Beneficiary

Death Before RBD

Entire balance must be distributed no later than December 31st of the fifth anniversary year of the decedent's death. However, consider (if possible) the potential to cash out non-individual beneficiaries, or segregate interests. PLR required.

Death After RBD

RMD must be taken for year of decedent's death based upon decedent's age in year of death based on the Uniform Lifetime Table. For the first distribution year, determine factor by referencing the owner's age in year of death and reduce by one. This factor is then reduced by one for each succeeding year.

UNIFORM LIFETIME TABLE

Attained Age in year of distribution	Applicable Divisor under Final Regulations	Attained Age in year of distribution	Applicable Divisor under Final Regulations
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115 and older	1.9

Single Life Table

Age	Multiple	Age	Multiple	Age	Multiple
0	82.4	37	46.5	74	14.1
1	81.6	38	45.6	75	13.4
2	80.6	39	44.6	76	12.7
3	79.7	40	43.6	77	12.1
4	78.7	41	42.7	78	11.4
5	77.7	42	41.7	79	10.8
6	76.7	43	40.7	80	10.2
7	75.8	44	39.8	81	9.7
8	74.8	45	38.8	82	9.1
9	73.8	46	37.9	83	8.6
10	72.8	47	37.0	84	8.1
11	71.8	48	36.0	85	7.6
12	70.8	49	35.1	86	7.1
13	69.9	50	34.2	87	6.7
14	68.9	51	33.3	88	6.3
15	67.9	52	32.3	89	5.9
16	66.9	53	31.4	90	5.5
17	66.0	54	30.5	91	5.2
18	65.0	55	29.6	92	4.9
19	64.0	56	28.7	93	4.6
20	63.4	57	27.9	94	4.3
21	62.1	58	27.0	95	4.1
22	61.1	59	26.1	96	3.8
23	60.1	60	25.2	97	3.6
24	59.1	61	24.4	98	3.4
25	58.2	62	23.5	99	3.1
26	57.2	63	22.7	100	2.9
27	56.2	64	21.8	101	2.7
28	55.3	65	21.0	102	2.5
29	54.3	66	20.2	103	2.3
30	53.3	67	19.4	104	2.1
31	52.4	68	18.6	105	1.9
32	51.4	69	17.8	106	1.7
33	50.4	70	17.0	107	1.5
34	49.4	71	16.3	108	1.4
35	48.5	72	15.5	109	1.2
36	47.5	73	14.8	110	1.1
				111	1.0

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