The death of a loved one is a difficult time. As a beneficiary of an individual retirement account (IRA), you are faced with important decisions regarding the distribution of these assets.

How you decide to take these distributions will have a considerable impact on your overall tax burden. It is important you understand the rules in order to make the best choice to fit your circumstances.

You have several options for what you can do with an inherited IRA if you aren’t the spouse of the account owner. Unfortunately, many IRA beneficiaries aren’t aware of all their options, so they immediately cash out the IRA and end up with a huge income tax bill. But income taxes can be minimized by simply choosing the option that results in the smallest tax hit. You might have up to four choices. You won’t be allowed to roll over the inherited IRA into your own IRA, but you can take distributions from the inherited IRA without paying the 10 percent penalty for early withdrawals.

This document is to help explain the requirements if you are a beneficiary for a Millennium Trust account. There are different requirements depending on the type of beneficiary and the beneficiary’s relationship to the deceased account owner. We recommend you speak with your own tax or financial advisor regarding the potential tax consequences of a payment election or beneficiary required minimum distribution.

For assistance with our forms or process, please contact a Client Service Specialist during normal business hours. Our Life Events team is here to answer any questions you may have during this difficult time.

Please continue to page two of this form.
**A Beneficiary Account Information**

- A beneficiary account, registered in the name of the beneficiary, may be created for purposes of tax reporting.
- The beneficiary account will reflect the Social Security or Tax Identification Number of the beneficiary. The transfer of funds from the decedent’s account to the new beneficiary account is not a tax reportable transaction.
- The beneficiary, as the account owner of the newly created beneficiary account, is responsible for complying with applicable beneficiary distribution rules, including any Required Minimum Distribution rules, and for initiating distribution requests. Beneficiary distributions are processed from the beneficiary account and would be tax reportable by Millennium as attributable to the beneficiary.
- The beneficiary (referred to as “Designator”) may designate a beneficiary on his/her beneficiary account. Such designation shall be (a) in writing on a Millennium Designation of Beneficiary form, or in such other written format acceptable to Millennium, (b) signed by the Designator and (c) received by Millennium prior to the Designator’s death.

**B Beneficiary Minimum Distribution Requirements**

**Individual Beneficiary (including Surviving Spouse) - For beneficiaries inheriting Accounts after 12/31/2019**

- The beneficiary may, under the 10-year rule, request a distribution at any time in the 10-year period. The Account assets must be fully distributed to the beneficiary no later than December 31 of the tenth year following the Account Owner’s death (as long as the assets are completely distributed by this date, distributions may be taken in any amount(s) during the course of the 10-year period).
- The beneficiary may request a full distribution at any time.
- If beneficiary is the surviving spouse, he or she may roll over or transfer all or part of the Account (with the exception of the Account Owner’s year of death required minimum distribution which cannot be included in a rollover) to an IRA in the surviving spouse’s own name or (ii) take distributions over the single life expectancy of the surviving spouse beneficiary, if payments begin within one year of the Account Owner’s death.
- If the beneficiary is otherwise an eligible designated beneficiary (EDB), he or she may take distributions over his/her single life expectancy provided payments begin within one year of the Account Owners death. An EDB includes a beneficiary that is (i) a surviving spouse, or (ii) medically certified as totally and permanently disabled or chronically ill, or (iii) no more than 10 years younger than the Account Owner, or (iv) a minor child of the Account Owner. Please speak with your own tax or financial advisor to verify eligibility as an EDB.

**Trust or Estate (or other Entity) Beneficiary – please consult your own tax or financial advisor concerning these complex distribution issues**

**A. If the Account Owner died on or after his or her required beginning date (generally April 1 following the year the Account Owner reached age 72):**

- The trust or estate (or other entity) beneficiary may take distributions over the Account Owner’s single life expectancy calculated in the year of death, reduced by one for each subsequent year provided payments commence no later than December 31 following the year the Account Owner died.
- The trust or estate (or other entity) beneficiary may request a full distribution at anytime.

**B. If the Account Owner died before his or her required beginning date:**

- A trust or estate (or other entity) beneficiary may, under the 5-year rule, request a distribution at any time during the 5-year period. The assets must be fully distributed by the trust or estate (or other entity) no later than December 31 of the fifth year following the Account Owner’s death (as long as the assets are completely depleted by this date, distributions may be taken in any amount(s) during the course of the 5-year period).

*Please continue to page three of this form.*
C Required Documentation for ALL Beneficiaries

No matter what the relationship is with the deceased account owner (“Account Owner”), if you are a beneficiary of the decedent’s account (“Account”) the following documentation is always required for a distribution:

☐ Completed and signed Election of Payment by Beneficiary form.

☐ Certified copy of Death Certificate of the Account Owner. Note: If you would like the death certificate to be returned, please include a letter requesting this service as well as the mailing address to which it should be sent. The death certificate will be shredded after 90 days if you do not request that it is returned to you.

☐ A copy of your valid, unexpired government issued identification card (i.e. driver’s license, state ID, or passport - birth certificate if for a minor child). If identification does not have current address information, we require address verification. Note: If a valid beneficiary designation was not on file with Millennium at the time of the Account Owner’s death, we may require a birth certification for all children of the decedent no matter what the age, to verify relationship.

☐ Direct Deposit to Bank (ACH) - Please submit a voided check for ACH (starter checks are not acceptable). Note: For accounts without checks, submit a preprinted deposit slip or a letter from your financial institution, on letterhead and signed by an officer. This documentation must include the account title, account number, ABA routing number and account type.

☐ Completed and signed IRA Beneficiary Testimonial form only if a valid beneficiary designation was not on file with Millennium at the time of the Account Owner’s death. (Not needed for Surviving Spouse).

D Additional Documentation Required (Depending on the type of beneficiary)

Individual Beneficiary is a Minor - If the beneficiary of the Account is a minor child, the following additional documents are required for distribution:

- If you are signing as the parent of a minor beneficiary, please provide: a copy of the minor’s birth certificate and a copy of the parent’s driver’s license.

- If you are signing as the guardian of a minor beneficiary, please provide: a copy of your letters of guardianship, a copy of the minor’s birth certificate and a copy of the guardian’s driver’s license.

- Additionally, if you are signing as a parent or guardian, please complete a Beneficiary Information Sheet to provide us with your name, residential street address, contact information, date of birth and Social Security number.

Surviving Spouse Beneficiary - If you are the Account Owner’s surviving spouse beneficiary, the following documents are required for distribution:

- If you decide to roll the balance of the Account into an Inherited IRA with Millennium, and you do not have an existing Millennium account, please complete an IRA Adoption Agreement.

- If you decide to transfer the balance of the Account to an Inherited IRA in your name outside of Millennium, transfer paperwork from the successor custodian is required.

- A copy of your marriage certificate if a valid beneficiary designation was not on file with Millennium at the time of the Account Owner’s death.

- Rollover information regarding Qualified Plan and receiving institution if making Direct Rollover to a Qualified Plan. You would select “Treat as Own” in section D of the Election of Payment by Beneficiary form and then enter the payee/rollover information in section G. Be sure to include the rollover instructions or paperwork.

Estate Beneficiary - If the estate is the beneficiary of the Account, the following additional documents will be required from the legal representative of the estate (e.g., administrator/executor) for distribution:

- Copy of the confirmation letter issued by the IRS verifying the tax identification number of the estate.

- Copy of the Letters Testamentary or Letters of Administration from the Clerk of Court (must be an official copy and dated within the last 120 days).

- Beneficiary Information Sheet for the legal representative of the estate (e.g., administrator/executor).

Trust Beneficiary - If a trust is the beneficiary of the Account, the following additional documents will be required from the trustee(s) of the trust for distribution:

- Copy of the confirmation letter issued by the IRS verifying the tax identification number of the trust.

- Copy of the trust document including: (1) the first (“title”) page, (2) the page(s) naming the current (successor) trustee(s), and (3) the signature page(s).

Charity Beneficiary - If a charity is the beneficiary of the Account, the following documents will be required from the authorized signee of the charity for distribution:

- Copy of the confirmation letter issued by the IRS verifying the tax identification number of the charity/entity.

- Articles of incorporation, corporate resolution, or proof of the existence of the charity/entity.

- Proof of signee’s signing authority.