YOUR GUIDE TO

Stretch IRAs for Non-spousal Beneficiaries

Security Benefit®

TO AND THROUGH RETIREMENT

SECURITY BENEFIT LIFE INSURANCE COMPANY

FIRST SECURITY BENEFIT LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK


Building a strong financial legacy for
your beneficiaries should be easy.
We can help.

This is the story of Sally, who has a $150,000 IRA, upon her death at age 40. She has designated that her sons, Matt and Danny, each inherit $75,000.

Here are two scenarios that compare the inherited benefit and distribution rules for each son.

Sally

Original IRA Owner

- Has $150,000 in her IRA upon her death at age 40

Son #1 — Matt (age 21)

Sally's Primary Beneficiary

- Establishes a $75,000 IRA due to his mother, Sally's, death
- Stretches the IRA for 10 years
- The SECURE Act mandates that a non-eligible designated beneficiary must deplete the inherited account by the end of the 10th year following the year of the original account owner's death
- His withdrawals are calculated to deplete the account by the end of the 10 years (Note: Matt does not have to take withdrawals every year, he just has to deplete the account by the end of the 10th year, following the year of the original account owner's death)
- Inherits a total of $98,856 from the IRA, earning $23,856 on his account during withdrawal years

Son #2 — Danny (age 18 *and* disabled)

Sally's Primary Beneficiary

- Establishes a $75,000 IRA due to his mother, Sally's, death
- The SECURE Act mandates that a non-eligible designated beneficiary must deplete the inherited account by the end of the 10th year following the year of the original account owner's death
- Certain non-spousal beneficiaries are not subject to this 10-year rule and can still use the life expectancy rule. Those non-spousal beneficiaries include:
  - Someone who is not more than 10 years younger than the original account owner
  - A disabled or chronically ill individual
  - A minor child of the original account owner who has not reached the age of majority (which is determined by each U.S. state and could vary)
- Inherits a total of $906,740 from the IRA, earning $831,740 on his account during withdrawal years

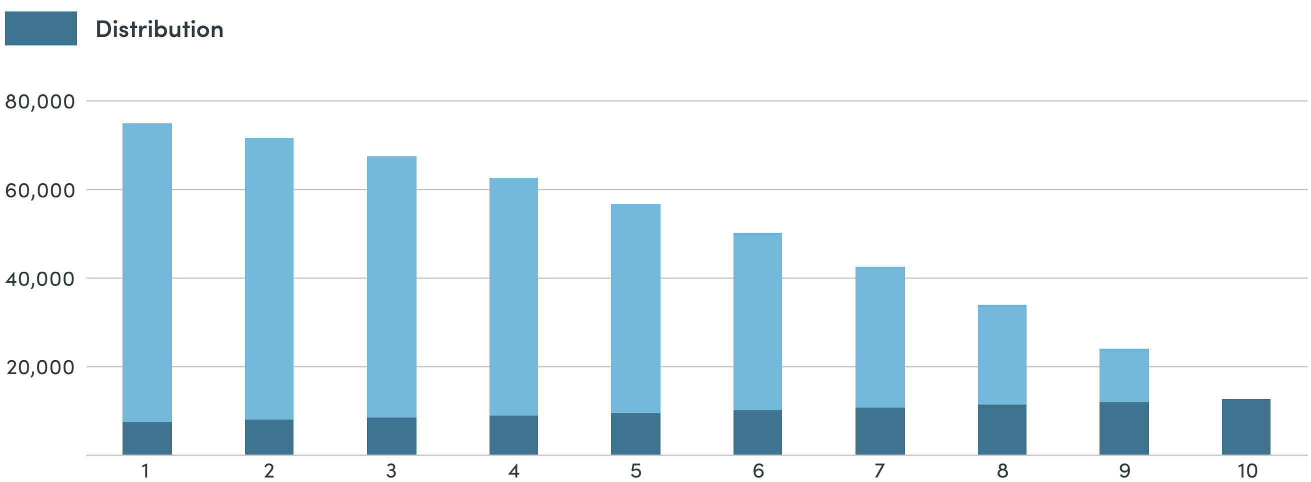
Example assumes a 6% return and a combined tax rate of 24%. RMD/withdrawal amount calculated is taxable.

Stretch IRA for a Non-spousal Beneficiaries

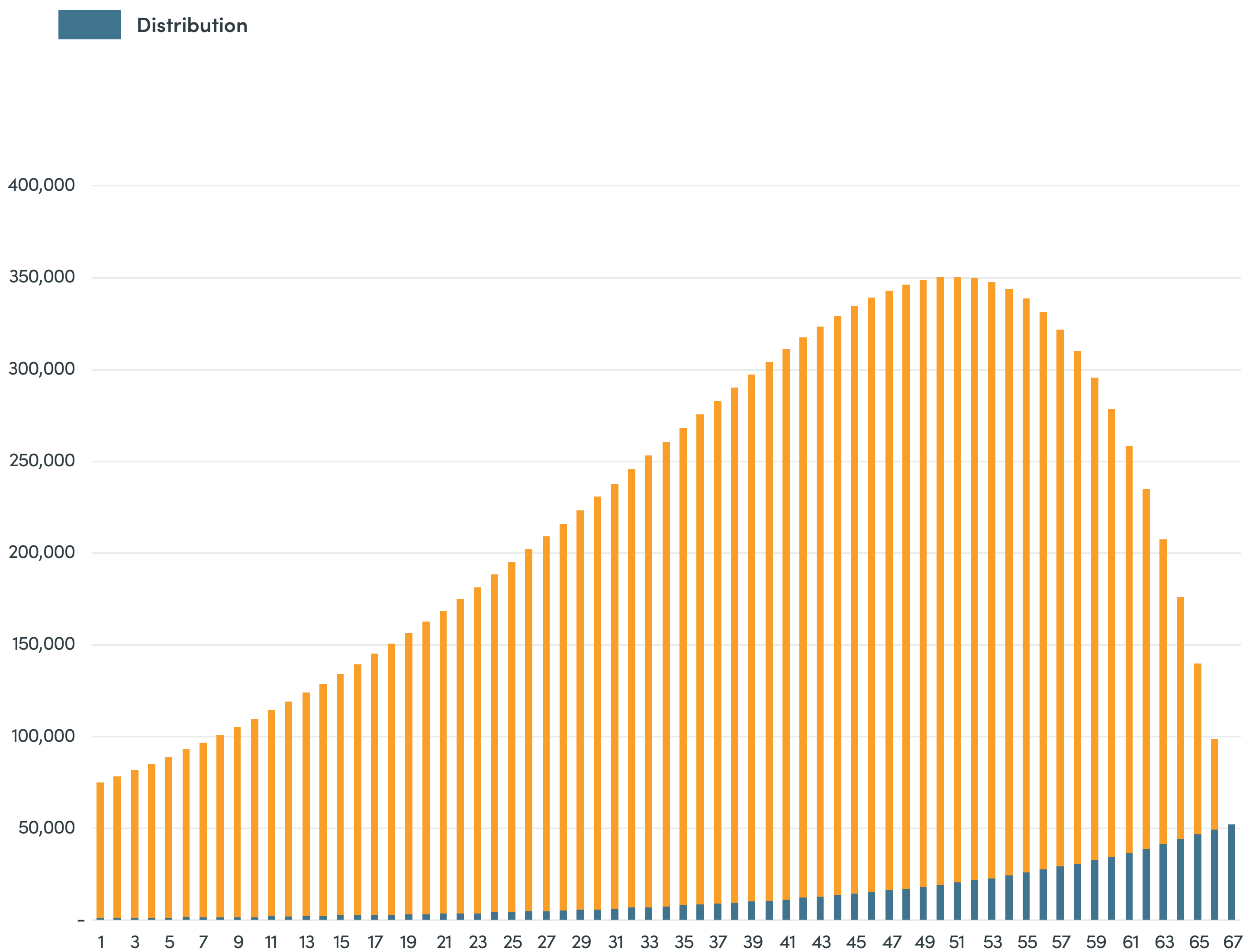
Hypothetical Examples

Stretch IRA for Non-spousal Beneficiaries

Example 1			
	Number of Years of Distribution	Withdrawals Before Taxes	Withdrawals After Taxes
Matt	10	$98,856	$93,131



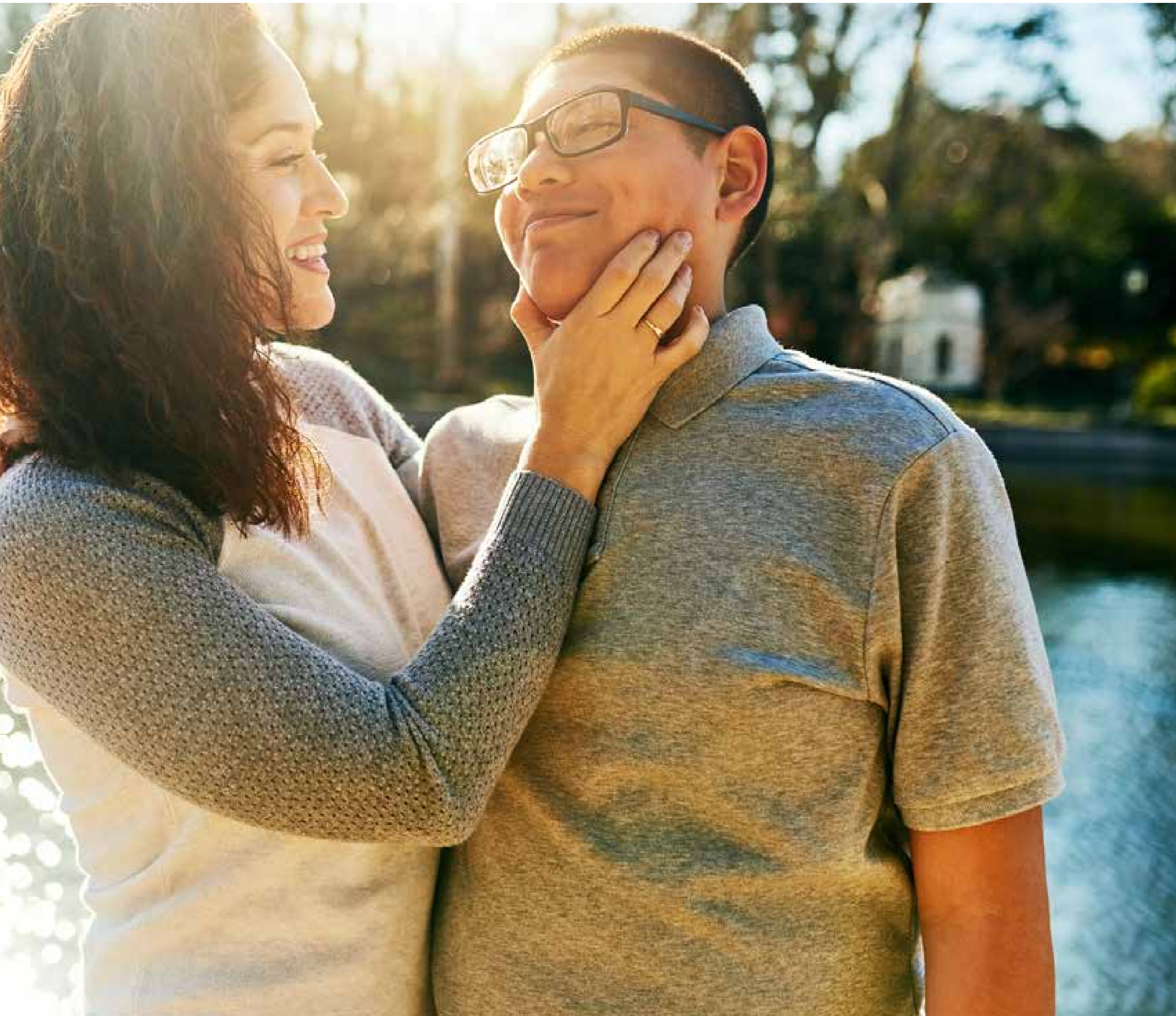
Example 2			
	Number of Years of Distribution	Withdrawals Before Taxes	Withdrawals After Taxes
Danny	67	$906,740	$707,123



These examples assume a 6% return and a combined tax rate of 24%. RMD/withdrawal amounts calculated are taxable.

A Stretch IRA for a Non-spousal Beneficiary is simply an IRA where the primary beneficiary has been properly designated to receive distributions from your IRA over an extended period upon your death.

Through careful planning, your retirement assets can benefit your heirs without burdening them with an excessive tax bill. Stretching the IRA allows them the flexibility to choose how and when to use these assets or even to let them grow.



You chose an IRA to save and grow your assets for a secure retirement. But what happens upon your death?

You can help your heirs shelter that money from estate and income taxes with a Stretch IRA for Non-spousal Beneficiaries.

Your path *To and Through Retirement®* begins here.

Talk to your financial professional to see whether a Stretch IRA for a Non-spousal Beneficiary can complement your retirement portfolio or contact us at 800.888.2461.

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