



YOUR GUIDE TO

Extending the Benefits of an Inherited IRA



SECURITY BENEFIT LIFE
INSURANCE COMPANY

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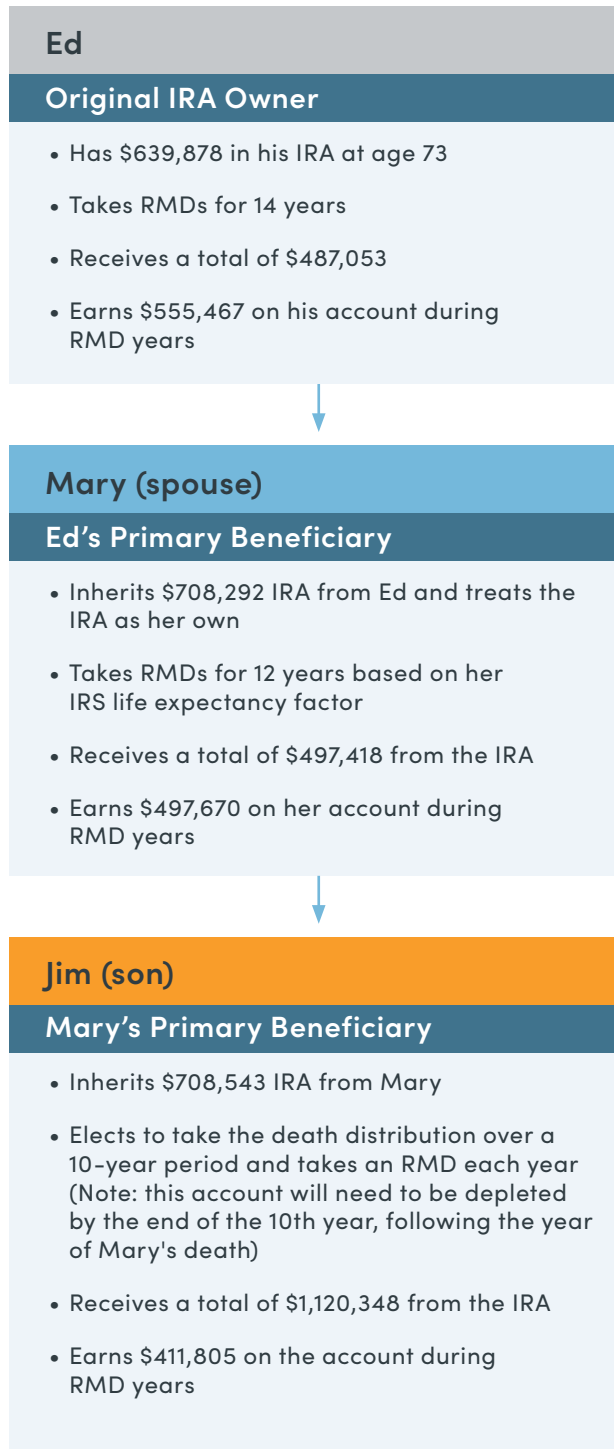


Building a Strong Financial Legacy is as Easy as 1, 2, 3

- ① Carefully plan and indicate your beneficiaries and secondary beneficiaries.
- ② If your spouse is your primary beneficiary, they can simply re-register your IRA in their name upon your death.
- ③ If your spouse chooses to re-register the IRA into their name and then later dies, their primary beneficiary will make an election for the distribution of the inherited IRA.

This is a story showing how Ed's IRA can benefit his wife and heirs after he dies.

Ed has a \$300,000 IRA. He has designated his wife, Mary, as his primary beneficiary and their son, Jim, as his secondary beneficiary. Ed retires at age 60 and lets his IRA grow until he reaches age 73 when he begins taking a Required Minimum Distribution (RMD).



By strategically naming the spouse as Primary Beneficiary, who then named her own Primary Beneficiary, both received tax-deferred, compounded savings, and the IRA yields a total of \$2,104,820 over 48 years for three people.

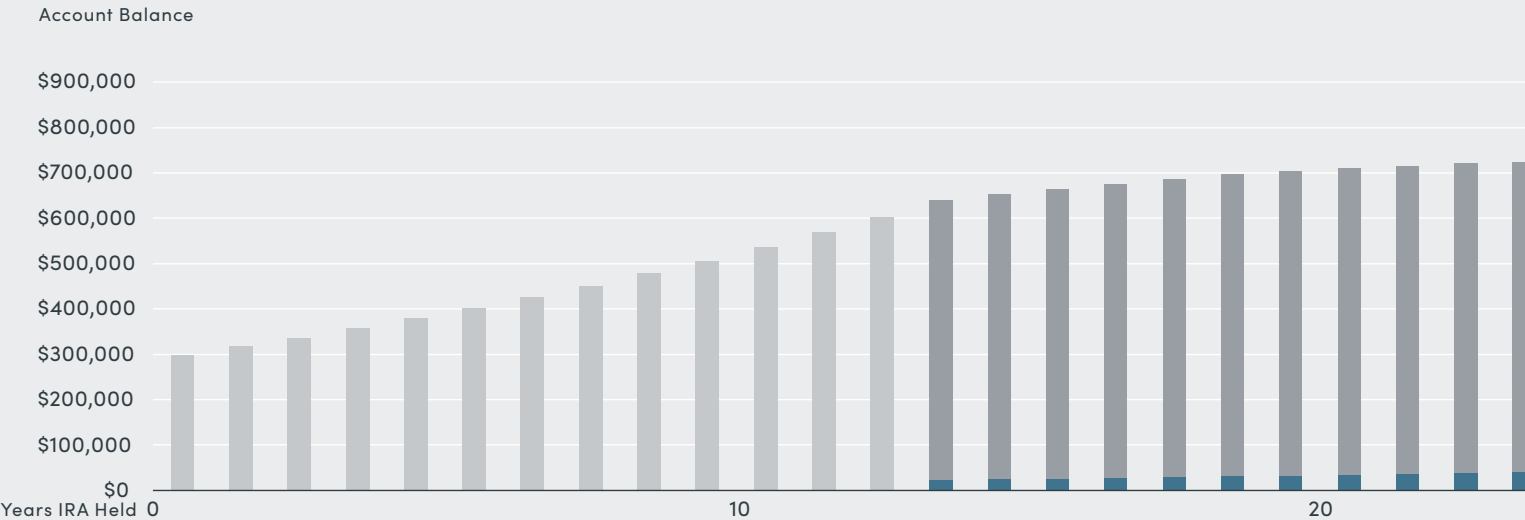
Example assumes a 6% return and a combined tax rate of 24%. RMD amount calculated is pretax. Depending on your product, contingent deferred sales charge (CDSC), market value adjustment (MVA), and other product charges may still apply upon withdrawals.

The Power of an Inherited IRA: Hypothetical Example

This example assumes a hypothetical rate of 6% net of fees and expenses throughout the life of the IRA and a combined income tax rate of 24%. There is no guarantee the 6% return shown in this chart can be achieved. Because there will likely be differences between the actual rate of return and this hypothetical example, differences between the hypothetical results and the actual required distributions are also likely.

This example reflects current tax laws. Tax laws frequently change, which could affect the amount a beneficiary receives over an extended period of time.

The Power of an Inherited IRA



FIRST GENERATION

Ed, 60,
has a \$300,000 IRA. His wife, Mary, 50, is his sole primary beneficiary. Their son, Jim, is the secondary beneficiary. Ed retires at age 60 and lets his IRA grow.

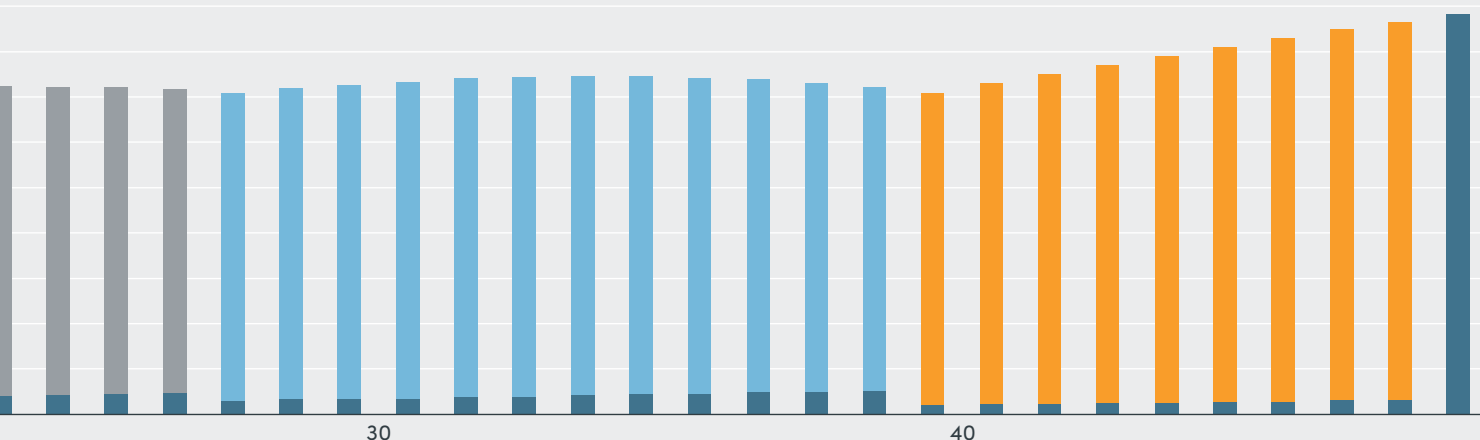
Ed, now 73,
begins taking Required Minimum Distributions (RMDs). He receives a total of \$487,053 over 14 years. Ed dies at age 86 after taking his RMD for the year.

| | RMD Years | RMDs Before Taxes | RMDs After Taxes (assuming 24% tax rate) |
|-------------------|-----------|--------------------|---|
| Ed | 14 | \$487,053 | \$370,160 |
| Mary | 12 | \$497,418 | \$378,038 |
| Jim | 10 | \$1,120,348 | \$851,465 |
| Total RMDs | 36 | \$2,104,820 | \$1,599,663 |

In most cases, Required Minimum Distributions are calculated using the Uniform Lifetime Table while the IRA account owner is alive. For inherited IRAs, the Single Life Table is used. RMDs are calculated generally based on the account value as of December 31 of the previous year and divided by the factor found in the appropriate table. The factor is based on age as of December 31 of the current year. Based on your product, contingent deferred sales charge (CDSC), market value adjustment (MVA), and other product charges may still apply upon withdrawals.

Ed's \$300,000 IRA lasted 48 years and delivered \$2,104,820 in distributions to himself, his wife, and his son.

■ Distribution



SECOND GENERATION

Mary, now 77,
re-registers Ed's IRA in her name. She names her son, Jim, 40, as her primary beneficiary. Mary begins taking RMDs over her life expectancy.

Mary receives \$497,418 in RMDs over the next 12 years. Mary dies at age 88 after taking her RMD for the year. Throughout the 12-year period, Mary could have taken a lump sum of the entire IRA or accelerated the distributions over a shorter time frame. The law requires that she only take the RMDs; she can always take more if needed.

Jim, now 52,
registers the IRA as an "inherited" IRA.

Jim could take a lump sum. Instead, he decides to take the death distributions over a 10-year period, and account must be fully depleted by the end of the 10th year following the year of Mary's death. Jim receives distributions for 10 years, totaling \$1,120,348.



You chose an IRA to save and grow your assets for a secure retirement. But what happens if you don't use all your IRA funds during your lifetime?

Through careful planning of beneficiary designations for retirement assets, your beneficiaries may be able to elect a distribution option that extends the tax-deferred, compounded growth of the IRA and spreads out payment of taxes.

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

Talk to your financial professional to learn how an Inherited IRA could extend its benefits to your heirs or contact us at 800.888.2461.



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