

Advisor Alert

TIME SENSITIVE INFORMATION: INHERITED RETIREMENT BENEFITS

Under the new federal SECURE Act, most non-spouse beneficiaries of an inherited retirement account must liquidate the account within ten years of the participant-decedent's death. Importantly, if the participant died in 2019, the old "lifetime stretch" rules still apply.

If you have a decedent who died in 2019 with a sizable retirement account, you should consider whether the named beneficiary (such as a spouse) should "disclaim" the account within nine months of the date of death to permit the account to pass to one or more younger beneficiaries, who may then use the 2019 lifetime rules to take distributions from the retirement account.

Due to the nine month disclaimer rule, the clock is ticking. For example, if you are reading this Alert on January 10, 2020 you are looking for decedents with dates of death between April 10, 2019 and December 31, 2019. Act now!



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