

Question: Last week you talked about the “Stretch IRA” concept. Can you now explain some of the different beneficiary designations available?

Answer: Sure. Here are three.

Standard designation means that upon your death, the assets held within your IRA will be distributed to your selected beneficiaries. In the event that said beneficiaries predecease you, monies will be passed on to any contingent beneficiaries you have named.

Per stirpes means that upon your death, the assets held within your IRA will be distributed to your selected beneficiaries as normal, but in the event that said beneficiaries predecease you, your percentage is passed on, equally, to his/her issue. If there are no surviving issue the funds will be divided among the remaining beneficiaries on a pro-rata basis.

Per capita means that upon your death, the assets held within your IRA will be distributed to your selected beneficiaries as normal, but in the event that said beneficiaries predecease you, his/her share is divided equally among both his/her issue, as primary beneficiaries, and the remaining primary beneficiaries named by you. If he/she has no surviving issue, the funds will be divided among the remaining beneficiaries on a pro-rata basis.

Bill’s Bottom-line: Will your money be left to the people and/or organizations you want? Proper beneficiary planning is crucial and often overlooked. Verify your beneficiary designations today!



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