



Inherited IRA Desk Reference

The rules of Inherited IRAs shift like celestial tides, ever-changing, and often veiled in complexity. Walking this path without guidance is risking missteps in the shadows of regulation. That is why we offer this: the Oracle's Guide to Inherited IRAs. Born of insight and clarity, it is your talisman against confusion, your light in the labyrinth of beneficiary rules. Let it reveal what is hidden, and lead you with wisdom through the evolving landscape of IRA inheritance rules.

Beneficiary Categories

Non-Designated Beneficiary (NDB)	Designated Beneficiary (DB)	Eligible Designated Beneficiary (EDB)
• Charity • Estate • Non-qualified trust	• Child of the IRA owner who has surpassed age 21 • Individuals who are more than 10 years younger than the IRA owner (based on date of birth) • Individuals not chronically ill/disabled • Primary beneficiary of a qualified trust (QT) who is not the spouse or chronically ill/disabled	• Child of the IRA owner, or their QT, who has not surpassed age 21 • Individuals not more than 10 years younger, the same age, or older than the IRA owner • Individuals who are chronically ill/disabled • Primary beneficiary of a QT who is the surviving spouse or a chronically ill/disabled individual • Surviving spouse (S/S)

RMD Ages

Some options depend on whether the IRA owner died before or on/after their required beginning date (RBD). The RBD is generally April 1 following the year the IRA owner reached their required minimum distribution (RMD) age which is:

- Age 75 (if born in 1960 or later)
- Age 73 (if born 1951-1959)
- Age 72 (if born July 1, 1949 – December 31, 1950)
- Age 70½ (if born before July 1, 1949)



Beneficiary:	Life Expectancy (LX)	5-Year Rule	10-Year Rule	10-Year Rule with RMDs	Lump-Sum	Disclaim
Eligible Designated Beneficiary: The EDB category and 10-year rule didn't exist before 2020 — non-spouse and qualified trust beneficiaries who inherited before 2020 generally use the life expectancy option.						
Surviving Spouse						
Owner died before RBD	X		X		X	X
Owner died on/after RBD	X			X	X	X
Child of the IRA owner, or their qualified trust ¹ , who has not surpassed age 21. After age 21, RMDs are taken over a 10 year term.						
Owner died before RBD	X		X		X	X ²
Owner died on/after RBD	X			X	X	X ²
Chronically ill/disabled individuals						
Owner died before RBD	X		X		X	X
Owner died on/after RBD	X			X	X	X
Individuals not more than 10 years younger, the same age, or older than the IRA owner.						
Owner died before RBD	X		X		X	X
Owner died on/after RBD	X			X	X	X
QT ¹ primary beneficiary is the spouse or chronically ill/disabled.						
Owner died before RBD	X		X		X	X ²
Owner died on/after RBD	X			X	X	X ²
Designated Beneficiary						
Individual more than 10 years younger, not chronically ill/disabled, or a minor who is not the IRA owner's child.						
Owner died before RBD			X		X	X
Owner died on/after RBD				X	X	X
QT ¹ primary beneficiary is not the spouse or chronically ill/disabled.						
Owner died before RBD			X		X	X ²
Owner died on/after RBD				X	X	X ²
Non-Designated Beneficiary						
Charity, estate, non-qualified trust						
Owner died before RBD		X			X	X ²
Owner died on/after RBD	X ³				X	X ²

1. The duration an Inherited IRA can remain open depends on several factors, including the QT type (accumulation or conduit), the primary beneficiary, and the number of primary beneficiaries. It's essential for the trustee to consult with an attorney to understand the specific trust distribution options available.

2. In some instances an entity may be able to disclaim.

3. RMDs are based on the IRA owner's age as of their birthday in the year of death. The divisor is reduced by one in each subsequent year.