



Submitting an Inherited IRA with Annuity Investors

Make sure it meets these requirements!

At Annuity Investors Life Insurance Company®, we value your business and strive to make doing business with us easy. To help ensure your paperwork is complete and avoid processing delays, please review the questions below when submitting an inherited contract.

What type of inherited contracts will Annuity Investors accept?

- ★ Annuity Investors accepts **non-spousal** Inherited IRAs where the person whose life is to be used to determine payments is age 75 or under on the date of issue.

Who can own an inherited IRA?

- ★ An inherited IRA can be issued to clients where the person whose life is used to determine payments is age 75 or under.
- ★ The Inherited IRA must be owned by:
 - A living person who was the designated beneficiary of the decedent;
 - A trust that was the designated beneficiary of the decedent and that qualifies as a look-through trust;
 - A trust that is not a look-through trust in cases where the payments can be based on the decedent's remaining life expectancy; or,
 - A living person who is a beneficiary of a trust that was the designated beneficiary of the decedent, qualifies as a look-through trust and has distributed its rights to that person.

What is needed if a trust will own an inherited IRA?

- ★ The Trust Certification Form (X6017907NW) and/or trust documents must be provided with the new business paperwork.
- ★ If not obvious from the trust documents, a list of all lifetime and remainder beneficiaries of the trust should also be provided.

What products may be sold as an inherited IRA?

- ★ Only certain products can be sold as an inherited contract. Please see the product reference guide and state approval chart for details.
- ★ An inherited contract **cannot** be issued with an optional rider.

How can my client fund their inherited IRA?

- ★ An Inherited IRA can **only** be funded through a direct rollover or an IRA-to-IRA direct transfer.

How should I title the owner of the inherited IRA?

- ★ **If the owner is a living person:**
 - The ownership should be titled as “[Beneficiary Name] as beneficiary of [Decedent Name]”
- ★ **If the owner is a trust:**
 - The ownership should be titled as “[Trust Name] as beneficiary of [Decedent Name]”

What information should be provided in the Owner and Annuitant section of the application?

- ★ **If the owner is a living person:**
 - In the primary owner section, list the address, social security number and date of birth for the beneficiary of the decedent's existing policy.
 - The primary owner should also be designated as the annuitant of the inherited contract.
- ★ **If the owner is a trust:**
 - In the owner information section of the application, provide the trust information, including the tax ID number.
 - The annuitant must be a living individual. The annuitant's personal information, including social security number, should be listed in the annuitant section of the application.
 - **The trust must be listed as the beneficiary of the new contract.**

What additional documents are required to be submitted with an inherited IRA, aside from the standard new business paperwork?

- ★ **For Inherited IRA cases:**
 - RMD Systematic Payment Election Agreement for Inherited IRAs (S2652911NW)

Required Minimum Distribution and 72(s) Requirements and Other General Information:

If applicable, the required minimum distribution (RMD) or 72(s) required payment must be taken for the current tax prior to opening the new annuity at Annuity Investors. The systematic distributions cannot start until after the first contract year.

When a trust owns an inherited IRA, who does Annuity Investors base the RMD payments on?

- ★ If the trust is a look-through trust, the RMD or 72(s) required payment may be based off the eldest beneficiary of the trust, who must be age 75 or younger on the date of issue. The date of birth for each trust beneficiary must be provided.
- ★ If the decedent died after his/her RMD required beginning date, the RMD may be based on the decedent's remaining life expectancy if the decedent would have been age 75 or younger on the date of issue.

If my client has multiple inherited IRAs, can they take all RMDs or 72(s) required payments from just one?

- ★ No, they must take the RMD or 72(s) required payments for each Annuity Investors inherited IRA from that Annuity Investors contract.

Can my client move Inherited IRA money via an indirect rollover?

- ★ No, an Inherited IRA must be funded via a direct transfer or direct rollover. The check must come from the transferring company or bank.
- ★ Personal checks cannot be taken under any circumstance.
- ★ Bank cashier's checks are only acceptable if the bank was the custodian or trustee for the prior IRA or retirement plan.

Does Annuity Investors require a death certificate be submitted with the new application?

- ★ No, a death certificate is not required to be submitted with a new business application.
- ★ In certain circumstances, we may request a copy of the death certificate if clarification of decedent information is needed.

If my client has inherited multiple IRAs, can they be consolidated into one single inherited contract?

- ★ The funds must all come from one decedent – you cannot commingle funds from an annuity contract owned by one decedent with funds from an annuity contract owned by another decedent.
- ★ Qualified funds cannot be commingled with non-qualified funds.

Thank you for your business!

