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# Making wise use of an inherited IRA

Take advantage of the opportunities associated with transferring an inherited IRA to an annuity.

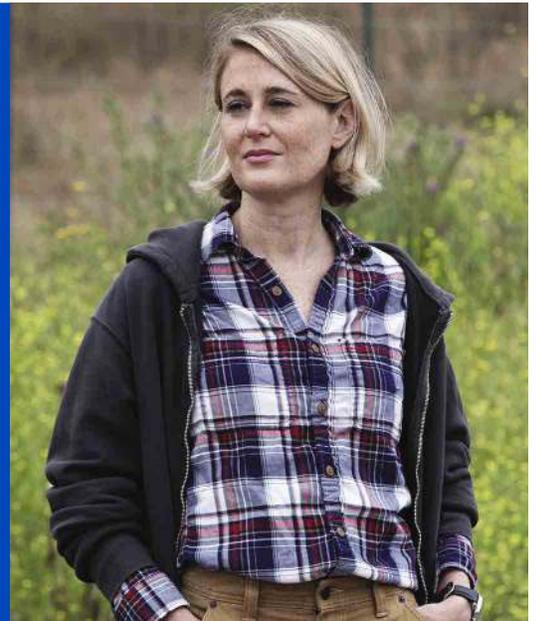
## MEET CAROL, 42

When her mother passed away unexpectedly in January 2021, Carol received jewelry, art and a well-funded IRA.

She knew what to do with the hard assets, but she was unclear about the IRA, and she sought the advice of a financial professional who had served the family's interests for a number of years.

After a review of Carol's personal financial situation, the financial professional recommended she consider transferring the IRA to a deferred annuity.

He explained that under the terms of the SECURE Act, there is a 10-year payout requirement associated with the IRA, and the account will have to be liquidated by the last day of 2031.



## BENEFITS

- The annuity allows Carol to defer taking distributions for 10 years if she likes but still gives her the ability to take distributions during this period if she prefers
- The annuity offers her the ability to potentially grow the inherited IRA's value through positive investment performance of the variable subaccounts
- The annuity also offers both death benefit and spousal protection features in case she or her spouse were to pass away in a situation where the current value of the annuity is less than the guaranteed death benefit amount



## Payout rules for inherited IRAs

- For most individual nonspouse beneficiaries, the payout requirement is 10 years when the owner dies, with some exceptions
- The account must be liquidated by 12/31 of the 10th year after the owner's death
- The 10-year rule does not require annual or periodic distributions
- This also applies to trusts that are considered designated beneficiaries
- Exceptions permitting life expectancy-based payouts:
  - Spouses
  - Minors
  - Disability
  - Chronic illness
  - 10 years old or younger



**Contact your marketer to learn more.**



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AAM-1070AO-IM (05/22)

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