TEMPEWICK
WEALTH MANAGEMENT

IRS Issues Proposed RMD Regulations

IRS Key Proposed Regulations Regarding RMDs under the SECURE Act

- Eligible Designated Beneficiaries(EDBs) are given more time to take RMDs which extends the tax benefits for the IRA.
  - Beneficiaries falling into this class consist of the owner's spouse, a person not more than 10 years younger than the owner, the owner's minor child(under 21) or a disabled or chronically ill beneficiary.
  - EDBs are able to take their RMDs over the life expectancy of the "designated beneficiary" of the trust and are not limited to the 10-year period of other types of beneficiaries.
- A Broader Definition of beneficiaries considered as disabled.
  - Because the normal definition of "disabled" as worded in The SECURE Act is defined in the same way as for Social Security purposes, there is additional wording for children under the age of 18.
  - A child under the age of 18 is considered disabled if they have a medically determined physical or mental impairment that results in severe functional limitation and that can be expected to result in death or to be lasting an indefinite duration.

Under the identifiability requirements the beneficiaries of the trust must be identifiable. However, this does not apply to class additions such as a new grandchild born in the case of a trust for the benefit of the owners grandchildren. In this case the trust would not fail the identifiability requirements, which allows for flexibility during drafting.

These are only proposed regulations and are subject to change prior to the IRS issuing the final regulations.

Reach out to us today at (973) 285-1000 to discuss preparations for the possible new regulations.

Visit Our Website

John Anderson, CLU
ja@tempewickinvestments.com
973-285-1000

Tempewick Wealth Management
Managing Principal

http://www.tempewick.com

fb in

This message was sent by
Tempewick Wealth Management
973-285-1000
177 Madison Avenue
Morristown, NJ 07960

Unsubscribe