

DESIGNATING BENEFICIARIES

General Instructions. A beneficiary can be a person, trust, charity or your estate. Write only one beneficiary on each line. Make sure that you write the full names of all beneficiaries. For example, if you name your children as beneficiaries, DO NOT merely write “children” on one of the lines; instead, write the full names of all your children on separate lines.

Order of Payment. To qualify to receive money from the IRA, a human beneficiary must be alive on the day after your death, and a trust, charity, or estate must be in existence within nine months after your death. If any of the primary beneficiaries you name qualify to receive money, then all of the money will be paid to the primary beneficiaries. The money will be paid to secondary beneficiaries ONLY if none of the primary beneficiaries qualify to receive money. The money will be paid to tertiary beneficiaries ONLY if none of the primary or secondary beneficiaries qualify to receive money.

Primary Beneficiaries. If you’re naming only one primary beneficiary, put 100% in the “%” column. If you’re naming more than one primary beneficiary, you must indicate what percentage each is to receive. The total MUST equal 100%.

If you do not assign a percentage for any primary beneficiary, then all primary beneficiaries will share equally. If you assign all primary beneficiaries a percentage, but the percentages of those that qualify for payment do not total 100%, then the beneficiaries who do qualify will share in proportion to their percentages.

Secondary Beneficiaries. If you’re naming only one secondary beneficiary, put 100% in the “%” column. If you’re naming more than one secondary beneficiary, you must indicate what percentage each secondary beneficiary is to receive. The total MUST equal 100%.

If you do not assign a percentage for any secondary beneficiary, then all of the secondary beneficiaries will share equally. If you assign all secondary beneficiaries a percentage, but the percentages of those that qualify for payment do not total 100%, then the beneficiaries who do qualify will share in proportion to their percentages.

Tertiary Beneficiaries. If you’re naming only one tertiary beneficiary, put 100% in the “%” column. If you’re naming more than one tertiary beneficiary, you must indicate what percentage each tertiary beneficiary is to receive. The total MUST equal 100%.

If you do not assign a percentage for either tertiary beneficiary, then both tertiary beneficiaries will share equally. If you assign both tertiary beneficiaries a percentage, but only one qualifies for payment, then the tertiary beneficiary who qualifies will receive 100%.

Example. *Mary wants her IRA to be paid to her husband if he is alive on the day after her death. If her husband is not alive, she wants her IRA to be paid equally to her two children. Mary would list her husband’s name under the “Primary Beneficiary(ies)” section and fill in “100” in the “%” column. She would list the two children’s names under the “Secondary Beneficiary(ies)” section and fill in “50” in the % column for each child.*

