Table 22

TAX RULES GOVERNING POSTMORTEM DISTRIBUTIONS FROM QUALIFIED PLANS

Did The Participant Die BEFORE Reaching His/Her Required Beginning Date Specified In §401(a)(9)(A)? [§1.401(a)(9)-3, A-1]

Benefits Payable To A Surviving Spouse May Be Transferred To A Spousal Rollover IRA EXCEPT Required Distributions In The Year Of Death OR, Perhaps, Under Circumstances Outlined In Planning Pointer "R"

NO

The remaining portion in the account must be distributed in accordance with various rules based on the Designated Beneficiary as of 9/30 of the year after the year of death. [§401(a)(9)(B)(i) and §1.401(a)(9)-5, A-5(a)]

(See Tables 25A & 25B)

YES

FIVE-YEAR RULE -- The entire interest in the account must be distributed to the beneficiary by December 31 of the fifth year following the year of the participant's death. [§401(a)(9)(B)(ii)]

GENERAL EXCEPTION to the Five-Year Rule -- The time period for the distributions may exceed five years for any portion of the account balance payable to a "Designated "Beneficiary". A DB must be an individual or an IRREVOCABLE (as of the date of death) trust whose own beneficiaries are identifiable individuals with life expectancies that can be determined as of the date of death. All beneficiaries as of 9/30 of the year after the year the participant dies must qualify as DB's.

1. The distributions must occur over the life of the "Designated Beneficiary" OR over a period not extending beyond the life expectancy of such beneficiary.
2. The distributions must commence not later than December 31 of the year following the year of the participant's death.

[§401(a)(9)(B)(iii) and §1.401(a)(9)-3, A-3(a)]

(Note: This is NOT a spousal rollover.)

SPOUSAL EXCEPTION to the Five-Year Rule -- If the participant's spouse is the SOLE primary beneficiary, as of 9/30 of the year after the year the participant dies, special provisions may be applied to any portion of the account balance payable to the spouse. Such interests may be distributed over the surviving spouse's life expectancy OR over a period not extending beyond his/her own life expectancy. Those distributions must begin by the later of:

1. December 31 of the year in which the participant would have attained age 70½, OR
2. December 31 of the year immediately following the year of the participant's death.

[§401(a)(9)(B)(iv) and §1.401(a)(9)-3, A-3(b)]

If The Surviving Spouse Dies BEFORE Distributions Begin Under The Spousal Exception

In the event there is a "Designated Beneficiary" as of 9/30 of the year after the year the surviving spouse dies, distributions may be carried out under the general exception to the five-year rule using the surviving spouse's date of death as the reference point.

[§1.401(a)(9)-3, A-5 and §1.401(a)(9)-4, A-4(b)]

If NO "Designated Beneficiary" exists as of 9/30 of the year after the year the surviving spouse dies, distribution must be made under the five-year rule using the SS's date of death as the reference point.

§1.401(a)(9)-3, A-5 and §1.401(a)(9)-4, A-4(b)]

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