

**ROTH IRA SELECTION OF SURVIVOR BENEFITS (FORM 2421R)**

Please Print or Type

CUID (Credit union will complete.)

Credit Union Name

Original IRA Owner's Social Security Number

IRA Suffix

Original IRA Owner's Name (First, Initial, Last)

Account Number

**BENEFICIARY INFORMATION**

Social Security or Federal Tax ID No.

Date of Birth (MM/DD/YYYY)

Name (First, Initial, Last)

Value of this Beneficiary's Benefits on IRA Owner's Date of Death

Street

Phone Number During the Day

City, State, ZIP

**PAYMENT ELECTION**

Instructions: See the reverse side for the options that are available to you under the tax laws.

- 1. Direct transfer. Direct transfer my share to my Roth IRA at
2. Immediate lump-sum payment. I want a single lump-sum payment now.
3. Payments over your life expectancy. I want periodic payments starting in the year after the IRA owner's death:
A. I want periodic payments over my life expectancy.
B. I want periodic payments over years. (Cannot be longer than your life expectancy.)
4. Delayed periodic payments. I want to delay the start of periodic payments until (YYYY). (This cannot be later than the year in which the IRA owner would have attained age 70 1/2.) At that time:
A. I want periodic payments over my life expectancy.
B. I want periodic payments over years. (Cannot be longer than your life expectancy.)
5. Delayed lump-sum payment. I want a single lump-sum payment during / (MM/YYYY). (This cannot be later than December of the year containing the fifth anniversary of the IRA owner's death.)
6. Payments over five years. I want periodic payments ending in the calendar year containing the fifth anniversary of the IRA owner's death.
7. Payments over the IRA owner's life expectancy. I want periodic payments starting in the year after the IRA owner's death:
A. I want periodic payments over the IRA owner's life expectancy.
B. I want periodic payments over years. (Cannot be longer than the IRA owner's life expectancy.)

**PAYMENT FREQUENCY**

(Check One)

- 1. I want a payment each month.
2. I want a payment every three months.
3. I want a payment every six months.
4. I want one payment each year.

**PAYMENT METHOD**

(Check One)

- 1. I want to receive these payments by check.
2. I want to deposit these payments directly into the following account at the credit union:

**FEDERAL WITHHOLDING ELECTION - Complete an IRA State Income Tax Withholding Election (Form 2312), if applicable.**

Check only one (DOES NOT APPLY TO DIRECT TRANSFERS):

- 1. WITHHOLDING: I want 10% Federal income tax withheld from my payments.
2. NO WITHHOLDING: I do not want 10% Federal income tax withheld from my payments.

**BENEFICIARY'S SIGNATURE**

I have received a copy of the withholding notice.

X

Beneficiary's Signature

Date (MM/DD/YYYY)

**WITHHOLDING NOTICE**

Payments from your IRA are subject to Federal income tax withholding, unless you elect not withholding. You may change from WITHHOLDING to NO WITHHOLDING or from NO WITHHOLDING to WITHHOLDING at any time prior to your receipt of a payment.

Your withholding election does not affect the amount of income tax you pay. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are insufficient. Withholding from IRA payments, when combined with other withholding, MAY relieve you from payment of estimated income taxes.

# SUMMARY OF RULES AFFECTING THIS FORM

## INTRODUCTION

Listed below are all of the payment options available to the beneficiaries if each beneficiary has a separate account by September 30 of the calendar year after the IRA owner's death. A beneficiary has a separate account either by being the only beneficiary of the IRA on this date or by the credit union segregating the beneficiary's portion of the IRA in a subaccount for the beneficiary by this date.

## OPTIONS FOR IRA OWNER'S SPOUSE

The IRA owner's spouse has the following payment options. The default payment if the spouse does not make a payment election is option 3 if the owner died during or after his or her 69½ year; if the owner was younger, it is option 4 with payments beginning in the owner's 70½ year.

1. **Direct transfer** to the spouse's own Roth IRA.
2. **Lump-sum payment.**
3. **Payments over the spouse's life expectancy.** The spouse's life expectancy is redetermined each year for the spouse's age on his or her birthday during the year of payment.
4. **Delayed payments over spouse's life expectancy.** This option is only available if the IRA owner died during or before his or her 68½ year (the calendar year in which the owner reaches age 68½). The delayed payments are computed in the same way they are under option 3.
5. **Delayed lump-sum payment.**
6. **Payments over five years.**

Under payment options 3 or 4, the owner's spouse can either receive payments over the applicable life expectancy (which results in the smallest possible payments) or over a shorter time period. Check either A or B, and if you check B also fill in the number of years over which you want payments.

**Qualified trust for spouse.** The direct transfer option is NOT available to a trust. A qualified trust has all of the other options available to the spouse if two conditions are met: (a) the trustee files the Qualified Trust Certification Form with the credit union by October 31 of the year after the IRA owner's death, and (b) the trust is for the sole benefit of the spouse (the trustee completes the sole benefit certification near the bottom of the Qualified Trust Certification Form). If only the first condition is met, then the trust has the options available to a non-spouse human beneficiary.

## OPTIONS FOR NON-SPOUSE HUMAN BENEFICIARIES

Human beneficiaries other than the spouse have the following payment options. If a beneficiary does not make a payment election, the default payment is option 3.

2. **Lump-sum payment.**
3. **Payments over the beneficiary's life expectancy.** The beneficiary's life expectancy is determined for the beneficiary's age on his or her birthday in the year following the owner's death, and this period is reduced by one year for each subsequent year. The beneficiary can either choose payments over the beneficiary's life expectancy (which results in the smallest possible payments) or over a shorter time period. Check either A or B, and if you check B also fill in the number of the number of years over which you want payments.
5. **Delayed lump-sum payment.**
6. **Payments over five years.**

**Qualified trust.** If the beneficiary is a qualified trust and the trustee files the Qualified Trust Certification Form with the credit union by October 31 of the year after the IRA owner's death, then the trust can choose from those options that would have been available if a human beneficiary had been named. The age of the oldest primary beneficiary of the qualified trust is used to determine periodic payments over a life expectancy or to determine the longest term certain.

## OPTIONS FOR NON-HUMAN BENEFICIARIES

Non-human beneficiaries have the following options. The default payment is option 5 with payment in the fifth year after the death.

2. **Lump-sum payment.**
5. **Delayed lump-sum payment.**
6. **Payments over five years.**
7. **Payments over the IRA owner's life expectancy.** The owner's life expectancy is determined for the age the owner would have attained in the year of death, and this period is reduced by one year to compute the payments for the year after death. It is further reduced by one year for each subsequent year.

Under option 7, the beneficiary can either choose payments over the owner's life expectancy (which results in the smallest possible payments) or over a shorter time period. Check either A or B, and if you check B also fill in the number of the number of years over which you want payments.