

Benefits of the IRA Inheritance Trust



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Benefits of the IRA Inheritance Trust

- 1. Ensure “Stretch-out”** — With the tax law change in 2003, the IRS allows the required minimum distributions (RMDs) of inherited IRAs to be calculated using the beneficiaries’ life expectancies. What this means is smaller distributions and longer tax free compounding. Unfortunately, most inherited IRAs never get to enjoy this “stretch” because the IRA is “blown”. This “blow-out” happens either because the beneficiaries don't understand the rules or they just want to spend it. The IRA Inheritance Trust allows you to lock-up the IRA and ensure the stretch while still allowing the beneficiary access to those funds should they need them in an emergency.
- 2. Divorce Protection** — IRAs should not be included in a divorce decree. However, going through a divorce is a very stressful time and IRAs are frequently seen by divorce attorneys as an easily accessible pot of money to fund a marital dissolution agreement. The IRA Inheritance Trust will protect against a beneficiary losing the inherited IRA through a divorce.
- 3. Protection for Minors** — People are apprehensive about leaving money to minors because they do not know how that person will grow up and do not want to fund self-destructive habits. With the IRA Inheritance Trust you can name a trustee that ensures that the assets are there for the minors’ benefit but will not be used to exacerbate any character flaws.
- 4. Lawsuit, Creditor, and Bankruptcy Protection** — Many states are now allowing the corpus of inherited IRAs to be subject to these types of claims. In addition, when the money is withdrawn from the IRA, those funds are subject to the claims of creditors and bankruptcy. The IRA Inheritance Trust allows you to protect the corpus of the IRA and required minimum distributions from these types of claims.
- 5. Protection From Losing Government Benefits** — For those individuals who receive government benefits, any asset received from an inheritance can be subject to the pay-back rules. With the IRA Inheritance Trust, you can be certain that those monies will be used to give that beneficiary the “extras” in life and not be used to pay back Uncle Sam.
- 6. Minimize Future Estate Taxes** — If IRA assets are left to beneficiaries in their individual name, they may be subject to estate taxes when they pass, as the inherited IRA is includable in the beneficiaries’ estates. However, if the IRA is left in the IRA Inheritance Trust, it will never be estate taxable again.
- 7. Leave a Legacy in Your Name** — Eventually we are all going to pass on to our greater glory. It is how we are remembered by those who loved us and knew us that keeps us alive forever. With the IRA Inheritance Trust, a check will be distributed to your beneficiaries with your name on it for their benefit every quarter. This will be part of your legacy.

**To arrange for a complimentary consultation,
please call us at:**

866.230.2206