

## CHARITABLE REMAINDER TRUSTS FOR INHERITED IRAs

**With the stretch IRA now a thing of the past, how will you pass on your IRAs? Charitable remainder trusts (CRT) give you some control and options.**

### 10-YEAR RULE

Under the SECURE Act, with limited exceptions, non-spousal beneficiaries of tax-deferred IRAs have to withdraw all funds within ten years of inheritance. No longer can withdrawals be limited to the required minimum distribution amount and stretched out over a lifetime.

### GIVE IT AWAY

By naming the CRT as the beneficiary of your IRA, the trust can be a valuable tool to let certain beneficiaries enjoy the IRA funds over a longer period of time. A CRT is set up to distribute a fixed percentage of the funds to beneficiaries in either a lump sum on the date the IRA is inherited by the trust or periodically over a maximum of 20 years. The remaining IRA balance is given to charity. Under either distribution method, at least 10% of the IRA value, when it passes to the trust, must be given to charity.

### MORE BENEFITS

The trust funds are protected from you and your beneficiaries' creditors when placed in a trust. And with the transfer to the trust, the IRA funds are removed from your estate and won't be subject to estate tax.



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