

Financial Services

A compliance health check on your ROTH BENEFICIARY IRA documents

ROTH BENEFICIARY IRA UPDATES

(Custodial—includes Self-Direction & Trust)

This document provides a detailed summary of compliance changes to Wolters Kluwer ROTH Beneficiary IRA documents.

Detailed changes from 2011 to today

2016

Roth Beneficiary IRA Disclosure Statement

- This form was created in 2008, and this is its first revision. Numerous updates have been made to standardize the language with amendments from the other IRA types that have had more recent revisions.
- Under the *IRA Distributions* section, *5. Tax-Free Distributions to Charities* has been retitled *Qualified Charitable Distributions*. The Qualified Charitable Distribution rule allowing an IRA owner or beneficiary age 70½ or older to have up to \$100,000 per year distributed directly to a charitable organization is now permanent.

2017

The IRS updated Forms 5305-R, *Roth Individual Retirement Trust Account* and 5305-RA, *Roth Individual Retirement Custodial Account* as follows:

- **Article I.** Updated contribution limits to 2017 amounts.
- **Article II.** Updated the modified adjusted gross income (MAGI) limits for being able to make Roth IRA contributions.
- **Article II.** Removed language that limited Roth IRA conversion contributions.
- **Article IX.** Added statement that the IRS has reviewed and approved Articles I through VIII.
- **General Instructions.** Updated to reflect the changes above, remove the identifying number instruction, and list IRS Pub. 590-A and Pub. 590-B as additional sources of information.

Roth IRA Disclosure Statement

- Added statements that the IRS has reviewed and approved Articles I through VIII but not Article IX of the 5305-R or 5305-RA, as appropriate.
- Updated the Disaster Tax Relief section to summarize the requirements of the Disaster Tax Relief and Airport and Airway Extension Act of 2017.

2018 (January; Tax Cuts and Jobs Act)

Roth Beneficiary IRA Disclosure Statement

- Removed language from the *Rollover or Direct Rollover Eligibility* subsection within the *Rollovers and Direct Rollovers from an ERP* section that permitted recharacterization to a traditional beneficiary IRA.

2018 (October; Miscellaneous IRA updates)

Roth Beneficiary IRA Disclosure Statement

- Amended the *Indirect Rollover and Withholding* subsection within the *Rollovers and Direct Rollovers from an ERP* section by adding language explaining the self-certification procedure for claiming eligibility for waiver of the 60-day rollover period.
- Amended the *Disaster Tax Relief* section to add reference to IRS Publication 976, *Disaster Relief*, and make other minor clarifications.

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