

MEMO# 30516

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FINRA Issues Investor Alert on Inherited IRAs

[30516] January 12, 2017 TO: ICI Members SUBJECTS: Pension RE: FINRA Issues Investor Alert on Inherited IRAs

FINRA recently issued a new Investor Alert entitled “Inherited IRAs—What You Need to Know”^[1] to provide basic information about the rules that apply when an individual inherits an IRA upon the death of the account owner. The Investor Alert discusses the various options that are available to spouses and non-spouse beneficiaries who inherit an IRA, including options for holding the account, taking a lump sum distribution, and disclaiming the IRA. It includes a limited discussion on when the beneficiary must take distributions from the account, and includes a link to another FINRA webpage for more information regarding required minimum distributions (RMDs).^[2] The Investor Alert also includes information about dealing with multiple beneficiaries of a single IRA, properly titling the IRA account, working with a brokerage firm, and a number of additional tips for beneficiaries.

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endnotes

^[1] The Investor Alert is available here:
<http://www.finra.org/investors/alerts/inherited-iras-what-you-need-know>. The accompanying news release can be found here:
<http://www.finra.org/newsroom/2017/inherited-ira-has-important-tax-and-estate-planning-implications>.

^[2] “RMD Basics for Inherited and Stretch IRAs” is available here:
<http://www.finra.org/investors/rmd-basics-inherited-and-stretch-iras>.