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often befuddled taxpayers in the past are the RMD rules for Roth IRAs and the options available when inheriting traditional IRAs.

**Ken Berry** • Apr. 14, 2015



Prior to this year, massive IRS Publication 590 had to cover the multitude of tax rules for IRAs. But in 2015 the IRS decided to split the publication in half. [In a previous article, we discussed Pub. 590-A](#) on contributions to traditional and Roth IRAs. Now here's the follow-up on Pub. 590-B (Distributions from Individual Retirement Arrangements), which is devoted to traditional and Roth IRA distributions,

including the rules for required minimum distributions (RMDs) and beneficiaries

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Roth IRA must contend with these rules.

Specifically, when a Roth IRA owner dies, the RMD rules that apply to traditional IRAs apply to Roth IRAs as though the owner died before his or her required beginning date. Generally, the entire interest in the Roth IRA must be distributed within five years of the owner's death unless the interest is payable to a designated beneficiary over his or her life expectancy.

Otherwise, the entire interest must be payable over a period not greater than the designated beneficiary's life expectancy. Distributions must begin before the end of the calendar year following the year of death. Also, distributions from another Roth IRA can't be substituted unless the other Roth IRA was inherited from the same decedent.

If the sole beneficiary is the spouse, he or she may delay RMDs until the decedent would have reached age 70½. Alternatively, the spousal beneficiary can treat the Roth IRA as his or her own.

**2. Inherited IRAs:** The rules for inherited IRAS differ depending on whether you are the spouse of the deceased IRA owner or you're a non-spousal beneficiary. When you inherit a traditional IRA from your spouse, you generally have the following options to choose from.

- Treat the IRA as your own IRA by designating yourself as the account owner.
- Treat the IRA as your own by rolling it over into your IRA or, to the extent it is taxable, into a qualified employer plan, qualified employee annuity plan, Section 403(b) plan or Section 457 plan.
- Treat yourself as the beneficiary rather than treating the IRA as your own.

As a spousal beneficiary, can treat the IRA as your own only if you're the sole

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transfer as long as the IRA into which amounts are being moved is set up and maintained in the name of the deceased IRA owner for your benefit.

Just like the original IRA owner, you generally don't owe tax on the IRA until you receive distributions from it. But you must begin receiving distributions from the IRA under the rules for distributions that apply to beneficiaries.

These are just two of the complex issues involving the IRA distributions rules covered in Pub. 590-B. To view the entire publication, or to check on details of these points, visit [www.irs.gov/pub/irs-pdf/p590b.pdf](http://www.irs.gov/pub/irs-pdf/p590b.pdf).

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