

Update: Processing of deceased account owner accounts to their beneficiaries Q&A



We recently updated our process for deceased account holders and created the following Q&A to assist you in how to process these transactions going forward.

Q: I have an IRA account where the owner has passed. What should I do?

- 1) Place an establish termination date on the account.
- 2) Fees will assess to the account overnight or you can upload your final fees.
- 3) Trade for final fees if needed.
- 4) Sweep your final fees.
- 5) Submit the death certificate to Axos Advisor Services (Axos) – Upon receipt account is then restricted from trading and fee assessment
- 6) If an RMD or LEP is still due on the decedent's account, Axos will notify you of that amount – RMD/LEP will be processed from the Beneficiary IRA/ROTH account at Axos or contra firm. RMD/LEP will not be processed from the decedent's account.

Q: AAS advised me that the decedent account had a remaining RMD or LEP that needs to be satisfied. How does a beneficiary request their beneficial portion of the RMD or LEP? The payment needs to be requested from the beneficial/inherited IRA at Axos or the new custodian. If requesting the beneficial IRA at Axos, submit a completed Beneficiary Distribution Request form. Ensure that the *Gross cash amount* or *Net cash amount* in section 4B has been completed with the dollar amount needed.

Q: What can a beneficiary do with their beneficial portion? Beneficiaries have three choices:

- 1) Take full distribution via check, ACH or wire.
- 2) Open a beneficial/inherited IRA with Axos and transfer account to it.
- 3) Open a beneficial/inherited IRA at another custodian and transfer account to it.

Q: Once I have added the establish termination date on the account, how do I move the account to the beneficiaries? Submit a completed Beneficiary Distribution Request form, one for each beneficiary. Ensure the following sections have been marked:

- 1) Select *Death* in section 3 – **Do not select RMD**
- 2) Select *Full cash distribution* or *Full in-kind distribution* in section 4A.
- 3) Select federal and state withholding elections in section 5.
- 4) Select one *Distribution Method* in section 7.

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Please note that for accounts where a decedent passed before our new policy and an RMD was already taken by at least one beneficiary, we will not be able to process any transfers or distributions until all beneficiaries have taken their portion of the RMD. (Prior policy)

If you have any questions about how accounts will be handled in the event of a death of a client, please contact your Client Service Advocate.

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