

3 Steps To Making A Beneficiary Gift

Did you know that the beneficiaries named on a retirement plan, annuity contract or life insurance policy determine who will receive these funds, even if you have different beneficiaries named in your will? And while proceeds paid from life insurance policies are generally not subject to income tax, the funds that your (non-spouse) heirs receive from your retirement accounts – particularly a traditional IRA - may be taxed multiple times.

Your traditional IRA account is included in your estate for federal estate tax purposes when you die. Additionally, the taxable portion of the IRA balance (which is often the entire amount) is counted again as “income in respect of a decedent” for federal income tax purposes, which means that your (non-spouse) heirs will owe federal income tax when they take withdrawals. And there is one additional tax-risk: the distributions may incur state income tax, as well.

After all these taxes have been paid, your heirs may receive only a very small fraction of what you intended for them to have.

A better idea: If you planned to include *The Nation* in your estate plans, consider naming us a full or partial beneficiary of your retirement assets and leave other, less taxed assets to your loved ones. Adding *The Nation* as a beneficiary is as easy as filling out a form.

It's Easy As 1, 2, 3!

1 Request a “change of beneficiary” form from your plan administrator.

2 List *The Nation* as beneficiary at the following address:
The Nation Company, LLC
520 Eighth Avenue,
New York, NY 10018
Tax ID# 13-3775400

3 Inform us of your intentions so we can thank you!