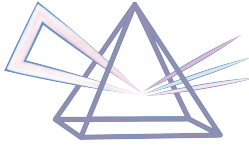


4 Requirements of a See-Through Trust

To qualify as what the IRS refers to as a “see-through” trust for IRA distribution purposes, the trust must meet the following four requirements outlined in Regulation Section 1.401(a)(9)-4, A-5



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1

The trust is valid under state law or would be but for the fact that there is no corpus.

2

The trust is irrevocable or the trust contains language to the effect it becomes irrevocable upon the death of the employee or IRA owner.

3

The beneficiaries of the trust who are beneficiaries with respect to the trust’s interest in the employee’s or IRA owner’s benefit are identifiable.

4

The required trust documentation has been provided by the trustee of the trust to the plan administrator no later than October 31st of the year following the year of the IRA owner’s death.

The IRA should **NEVER** be moved into the trust.

INHERITED
IRA (FBO
the Trust)

RMDs get paid
to the trust

TRUST (IRA
BENEFICIARY)

Trust makes distributions
to its beneficiaries

BENEFICIARY
OF TRUST

DISCRETIONARY TRUST
Any RMD left in
trust is taxed at trust
tax rates

CONDUIT TRUST
RMD is passed to
beneficiary and taxed at
beneficiary’s rate



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