HAYES
ADVISORY GROUP

How Do You Inherit Money Properly Based On The New Inheritance Rules?

T. BRIAN HAYES

The rules for inheriting assets and money have changed and may be changing more. Recently, the original inherited stretch IRA was eliminated, causing most people inheriting retirement account money to pay much more in taxes. Now there is talk of eliminating the stepped-up basis in value. This would cause more taxation. So, what can you do?

The majority of money that is inherited comes in the form of inherited retirement accounts, like IRAs and 401(k)s. And this is the type of money the substantial changes have stemmed from due to the Secure Act. Before the Secure Act, beneficiaries of these types of accounts were able to establish an inherited stretch IRA to avoid having to pay federal income tax on all this money at once in the year of inheritance. This gave people a lot of control as to how and when they could pay taxes on this money, and obviously the goal and strategy here was to set up and control the inherited stretch IRA account in a way to pay the least amount of federal tax as possible.

Unfortunately, as of last year the inherited stretch IRA is no longer an option when inheriting retirement account money as this option was eliminated in the Secure Act bill. Now, beneficiaries of all types of retirement accounts can still establish an inherited ira, but that account now has to be liquidated by the end of the 10th year after the account. Thus, you now need an adjusted strategy to figure out the best way to liquidate these types of accounts over a 10 year period to minimize the taxes owed. And this very well may need to be incorporated into your retirement plan now to minimize the taxation of this money when you expect to inherit it.

What about other types of assets and money accounts? Well, there is discussion that tax changes may be coming to assets and accounts that generally pass on to heirs via a will and or trust. Currently, inheritors get a stepped up basis in value on these types of assets, but that may change here soon. If the stepped up basis in value gets eliminated, that will be another major tax increase.

Again, retirement planning rules, laws and options continue to change. Thus, if you do not update your retirement plan to adjust and adapt to these new rules, it could cause you to inherit substantially less than you would have under the old laws. Join me this weekend on The Retirement Money Matters Radio Show as we get into the details of all these changes, and share with you what you can do to adjust and adapt properly to save as much tax as possible. The show airs this Saturday morning at 6 on WIBC (93.1 FM), Sunday morning at 8:00 on WWKI (100.5 FM) or anytime online at www.theretirementmoneymattersshow.com. You can also obtain this information by reaching out to us at Hayes Advisory Group at 765-452-PLAN (7526), 800-939-1603, or brian@hayesadvisorygroup.com.

HAYES
ADVISORY GROUP

Investment Advisory Services offered through Brookstone Capital Management LLC and Milestone Asset Management LLC, both Registered Investment Advisors. Investments and/or investment strategies involve risk including the possible loss of principal. There is no assurance that any investment strategy will achieve its objectives. This information is not intended to be used as the sole basis for financial decisions, nor should it be construed as advice designed to meet the particular needs of an individual's situation. T. Brian Hayes and/or Hayes Advisory Group are not affiliated with or endorsed by the Social Security Administration or any other government agency. The information provided is not intended as tax or legal advice and should not be relied on as such. You are encouraged to seek tax or legal advice from an independent professional. Any examples are for illustrative purposes only and do not take into account your particular investment objectives, financial situation, or needs and may not be suitable for all investors. It is not intended to project the performance of any specific investment and is not a solicitation or recommendation of any investment strategy.

765.452.7526 | Brian@hayesadvisorygroup.com | hayesadvisorygroup.com

T. BRIAN HAYES

FOUNDER & PRESIDENT

T. Brian Hayes is the Founder, Owner, and CEO of Hayes Advisory Group, boasting over 30 years of experience in guiding clients towards their retirement goals. Specializing in pre-retirees and retirees, he ensures clients understand their planning options and tailors strategies to their unique needs. A strong advocate for education, Hayes regularly writes and speaks on financial topics, hosts a weekly radio show on retirement, and instructs for The Prepare Institute, a 501-3 non-profit educational institution. He holds memberships in prestigious financial organizations like The Indiana Network of Estate Planning Professionals and The National Association of Insurance and Financial Advisors. Hayes is a distinguished member of the Million Dollar Roundtable (MDRT), with multiple honors recognizing his professional expertise and ethical standards. Based in Central Indiana, he serves clients across the U.S. and Canada, residing with his wife and three children.

765.452.7526 | Brian@hayesadvisorygroup.com | hayesadvisorygroup.com