



Question Of the Month - May 2026

T. BRIAN HAYES

“Dear Brian,

My husband recently passed away at the age of 80, and I am the primary beneficiary of his IRA, with our 3 children as contingent beneficiaries. I am the same age and will get to keep his pension and his larger Social Security check. Since we have plenty of money in savings, I really don't need the IRA. Can I gift this IRA to our children? Please let me know. Thank you.”

-Marsha

Hello Marsha. I am sorry about the passing of your husband, but it seems you will be in good shape financially with a good income and savings. And for someone in your situation, inheriting an IRA from a spouse can trigger excessive taxes, since you will now have to file as a single person. That essentially cuts the tax brackets in half, and depending on the size of the IRA, the required minimum distributions that you have to take and claim as income to go along with your Social Security, pension, and other interest income, this could throw you into a much higher tax bracket and cause your Medicare Part B premiums to be higher. So, getting rid of the IRA could be helpful to you from a tax standpoint.

Unfortunately, though, you cannot simply gift the IRA to your children. The only way to do that is by taking the money out of the IRA and paying tax on that money and then using that money to do annual gifting. However, there is one often forgotten strategy here that could be very helpful to you and your family in saving a lot of money in taxes, and that is by disclaiming the IRA.

Disclaiming the IRA means you do not take receipt of the IRA and put it in your name. Instead, it will now go to the named contingent beneficiaries. By doing this, each child can then set up their own inherited IRA, and they would have 10 years to pay the taxes on the IRA. By them being able to set up their own tax minimization strategy within those ten years, it very well could end up being a lot less in taxes paid than you would end up paying if you kept it in your name.

There are some very specific rules in disclaiming an IRA. The main one is that this irrevocable decision must be made within nine months of the owner's death and before taking possession of assets. Join me this weekend on The Retirement Money Matters Show, where I will answer this question in more detail and review all the advantages and disadvantages of this strategy. We will also answer many other questions that have been submitted. The show airs Saturday morning at 6 on WIBC (93.1 FM), Saturday morning at 8 on 930 AM The Answer in Sarasota, 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 452-PLAN (7526), 800-939-1603 or brian@hayesadvisorygroup.com.

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 tailor's 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.

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. Avery 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.

