

Beneficiary Information (for MERS IRA)

Please print clearly • Retain a copy for your records

1. Information about you

Last name*	First name*	MI	Social Security Number*
IRA division code*	Email address		Phone number (with area code)*

2. Primary Beneficiary

I designate the following person(s) as Primary Beneficiary(ies) of my account if I should die prior to the payout of my account. (Upon your death, any amount payable from the MERS IRA shall be paid to the surviving Primary Beneficiary(ies). If any of the Primary Beneficiaries predecease you, their share will be distributed proportionately among the remaining Primary Beneficiaries.)

NOTE: If naming an estate, trust or other non-person as your beneficiary, be sure to consult with an attorney or tax professional to ensure that you understand how your assets will be distributed and any associated legal and/or tax implications.

Name of Primary Beneficiary*	Relationship to me*	Social Security Number	Date of birth (mm/dd/yyyy)	Percentage*

To add more beneficiaries, please attach a separate list that you have signed and dated.

Must be whole numbers that equal 100%

3. Contingent Beneficiary

In the event there is no living Primary Beneficiary(ies) at my death, I designate the following as Contingent Beneficiary(ies) of my account. (If any of the Contingent Beneficiaries predecease you, their share will be distributed proportionately among the remaining Contingent Beneficiaries. If no beneficiary designation is in effect at the time of your death, or if no beneficiary survives you, the MERS IRA will be paid to your surviving spouse or, if there is none, to your estate.)

NOTE: If naming an estate, trust or other non-person as your beneficiary, be sure to consult with an attorney or tax professional to ensure that you understand how your assets will be distributed and any associated legal and/or tax implications.

Name of Contingent Beneficiary*	Relationship to me*	Social Security Number	Date of birth (mm/dd/yyyy)	Percentage*

To add more beneficiaries, please attach a separate list that you have signed and dated.

Must be whole numbers that equal 100%

3. Required signature

I have completed, understand, and agree to this *Beneficiary Information Form*. I hereby revoke all prior beneficiary designations (if any).

Participant signature*	Date (mm/dd/yyyy)*
Participant name (please print clearly)*	

* Required field

You can submit this form online! 

If you already have a myMERS account, you can also upload this form online. Look for the **File Upload** feature in the top navigation to easily and securely submit completed forms.

You may also mail completed form to MERS' recordkeeper at:

Alerus Retirement Solutions
P.O. Box 64535
St. Paul, MN 55164

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Beneficiary Distributions

Upon death of the IRA owner, any amount payable from the MERS IRA shall be paid only to the Primary Beneficiary(ies) who survive the owner. If any of the Primary Beneficiaries predecease the IRA owner, their share will be distributed proportionately among the remaining Primary Beneficiaries. Only if all Primary Beneficiaries predecease the owner will the Contingent Beneficiary(ies) be entitled to any amount of the IRA. If any of the contingent beneficiaries predecease the IRA owner, their share will be distributed proportionately among the remaining Contingent Beneficiaries. If no designated beneficiary survives the IRA owner, the MERS IRA will be paid to the owner's surviving spouse, or, if there is no surviving spouse, to the IRA owner's estate.

Can Beneficiaries Select their own Beneficiaries?

Upon the death of the initial beneficiary, if any assets remain, the successor beneficiary(ies) shall be paid in accordance with the order established by the original IRA owner.

Spousal Beneficiary

A spousal beneficiary of a MERS IRA can establish an Inherited MERS IRA account. A spousal beneficiary can also roll over the assets into a new or existing IRA.

With an Inherited MERS IRA, the amount of the Required Minimum Distribution will be based on the spousal beneficiary's age and be recalculated each year based on the factors in the Single Life Expectancy Table (page 11). The timing of the initial distribution may be based on the original owner's age at the time of their death. If they were:

- Older than age 70½, the spousal beneficiary must begin taking the Required Minimum Distribution by December 31 of the year following the original owner's death.
- Younger than age 70½, the spousal beneficiary can delay Required Minimum Distributions until the original owner would have turned age 70½.

Assets from a Traditional Inherited MERS IRA are available immediately, no early withdrawal penalty applies, and are subject only to applicable income taxes. A withdrawal from a Roth Inherited MERS IRA is also available immediately, however, a distribution that is not a qualified distribution is subject to income tax on the earnings portion along with a 10% early withdrawal penalty.

When a spousal beneficiary inherits a MERS IRA directly, they also have the option to roll over the inherited MERS IRA proceeds into their own new or existing IRA and treat these assets as if they were their own.

If your spouse already has a MERS IRA account, they can consolidate the inherited MERS IRA proceeds into their existing account. Spousal accounts must be established prior to the employee's death.

Both the amount and the timing of required distributions are based on the spousal beneficiary's own age. If these assets are rolled into their own IRA, their required distribution will generally be based on the *Uniform Table* (page 3).

Non-Spousal Beneficiaries

A non-spousal beneficiary of a MERS IRA can establish an inherited MERS IRA account and control how inherited assets are invested. Required Minimum Distributions will also be based on their life expectancy.

If the beneficiary is sharing inherited MERS IRA assets with other beneficiaries, they should set up their own separate account for their portion of the inherited assets by December 31 of the year following the owner's death. Any beneficiaries who do not separate their inherited IRA assets by the cut-off date may be required to base their Required Minimum Distributions on the age of the oldest beneficiary on the account.

Note: Be sure to consult with a tax or legal advisor concerning individual circumstances.

Disclaiming Inherited Assets

If the beneficiary finds that they will not need all or some of the inherited assets during their lifetime, they may want to make the irrevocable decision to disclaim – or refuse to inherit all or part of – the MERS IRA assets. The disclaimed inheritance would then be passed on directly to the next eligible beneficiaries (originally selected by the IRA owner). Any required distributions would be based on the other beneficiary's age, rather than on their own. If the other beneficiaries are younger, they would be "stretching out" the potential for tax deferred growth on this IRA legacy.

For example, if you named your spouse as the Primary Beneficiary and your child was named as the Contingent Beneficiary, then your spouse disclaimed their inheritance, your child would inherit all of the IRA assets. Since the Required Minimum Distribution would now be based on your child's life expectancy, it would be lower, leaving more assets in the account to potentially compound tax-deferred. To disclaim benefits, please contact the MERS Service Center at 800.767.MERS (6377).

Note: Be sure to consult with a tax or legal advisor concerning individual circumstances.

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INSTRUCTIONS FOR THE SINGLE LIFE EXPECTENCY TABLE

For each "Distribution Year," determine:

- A. the account balance as of the preceding calendar year end;
- B. the participant's age on their birthday in the Distribution Year; and
- C. the "Applicable Divisor" for that age from the table following. "A" divided by "C" equals the approximate distribution for the Distribution Year.

Example:

Beneficiary is 36 years old with an account balance of \$200,000

$$\text{ACCOUNT BALANCE} \div \text{DIVISOR} = \text{REQUIRED MINIMUM DISTRIBUTION}$$

$$\text{\$200,000} \div \text{47.5} = \text{\$4,210.53}$$

Can estates or trusts be beneficiaries?

An **estate** can be a designated beneficiary – meaning the money has to be paid to the estate within 5 years.

An IRA holder can name a **trust** as beneficiary under MERS' plans under the following conditions.

A trust cannot be a "designated beneficiary" (even if it is a named beneficiary). However, if a trust is named as beneficiary, the beneficiaries of that trust will be treated as having been designated beneficiaries for purposes of determining Required Minimum Distributions after the owner's death if all of the following are true:

- The trust is valid under state law (or would be if there were money in it)
- The trust is irrevocable or becomes, by its terms, irrevocable upon the owner's death
- The beneficiaries of the trust who are beneficiaries with respect to the trust's interest in the owner's benefit are identifiable from the trust instrument
- The trustee of the trust provides MERS with the documentation required for us to identify the beneficiaries
- The trustee of the trust must provide the beneficiary documentation to MERS by October 31 of the year following the year in which the owner died

If the beneficiary of the trust (which is the beneficiary of the IRA) is another trust (sometimes spouses do this) and both trusts meet the above requirements, the beneficiaries of the other trust will be treated as having been designated as beneficiaries for purposes of determining the distribution period.

SINGLE LIFE EXPECTANCY TABLE

Age	Divisor	Age	Divisor	Age	Divisor
01	81.6	38	45.6	75	13.4
02	80.6	39	44.6	76	12.7
03	79.7	40	43.6	77	12.1
04	78.7	41	42.7	78	11.4
05	77.7	42	41.7	79	10.8
06	76.7	43	40.7	80	10.2
07	75.8	44	39.8	81	9.7
08	74.8	45	38.8	82	9.1
09	73.8	46	37.9	83	8.6
10	72.8	47	37.0	84	8.1
11	71.8	48	36.0	85	7.6
12	70.8	49	35.1	86	7.1
13	69.9	50	34.2	87	6.7
14	68.9	51	33.3	88	6.3
15	67.9	52	32.3	89	5.9
16	66.9	53	31.4	90	5.5
17	66.0	54	30.5	91	5.2
18	65.0	55	29.6	92	4.9
19	64.0	56	28.7	93	4.6
20	63.0	57	27.9	94	4.3
21	62.1	58	27.0	95	4.1
22	61.1	59	26.1	96	3.8
23	60.1	60	25.2	97	3.6
24	59.1	61	24.4	98	3.4
25	58.2	62	23.5	99	3.1
26	57.2	63	22.7	100	2.9
27	56.2	64	21.8	101	2.7
28	55.3	65	21.0	102	2.5
29	54.3	66	20.2	103	2.3
30	53.3	67	19.4	104	2.1
31	52.4	68	18.6	105	1.9
32	51.4	69	17.8	106	1.7
33	50.4	70	17.0	107	1.5
34	49.4	71	16.3	108	1.4
35	48.5	72	15.5	109	1.2
36	47.5	73	14.8	110	1.1
37	46.5	74	14.1	111+	1.0