



## Submitting an Inherited Contract with Great American

### ***Make sure it meets these requirements!***

At Great American Life Insurance Company<sup>®</sup>, we value your business and strive to make doing business with us easy. To help ensure your paperwork is complete and avoid processing delays, please review the questions below when submitting an inherited contract.

#### What type of inherited contracts will Great American accept?

- ★ Great American accepts **non-spousal** Inherited IRAs and Inherited non-qualified contracts where we can make RMD payments or 72(s) required payments based on the life of a person who is age 75 or under on the date of issue.
- ★ For **Inherited IRAs**, the contract with Great American generally must be set up and funded in time to begin the RMD payments by December 31 of the calendar year following the decedent's death (or the RMD payments must have begun before the direct rollover or IRA-to-IRA direct transfer to Great American)
- ★ For **inherited non-qualified cases**, the contract with Great American must be set up and funded in time to begin the 72(s) required payments by the first anniversary of the decedent's death (or the 72(s) required payments must have begun before the 1035 exchange to Great American).

#### Who can own an inherited contract and stretch payments over a person's life?

- ★ A living person who was the designated beneficiary of the decedent;
- ★ A trust that was the designated beneficiary of the decedent and that qualifies as a look-through trust;
- ★ A trust that is not a look-through trust in cases where the payments can be based on the decedent's remaining life expectancy; or,
- ★ A living person who is a beneficiary of a trust that was the designated beneficiary of the decedent, qualifies as a look-through trust and has distributed its rights to that person.

#### What is needed if a trust will own an inherited contract?

- ★ The Trust Certification Form (X6017907NW) and/or trust documents must be provided with the new business paperwork.
- ★ If not obvious from the trust documents, a list of all lifetime and remainder beneficiaries of the trust should also be provided.

#### What products may be sold as an inherited contract?

- ★ Only certain products can be sold as an inherited contract. Please see the product reference guide and state approval chart for details.
- ★ An inherited contract **cannot** be issued with any of our optional riders.

#### How can my client fund their inherited contract?

- ★ An Inherited IRA can **only** be funded through a direct rollover or an IRA-to-IRA direct transfer.
- ★ An Inherited non-qualified contract can **only** be funded through a 1035 exchange.

#### How should I title the owner of the inherited contract?

- ★ **If the owner is a living person:**
  - The ownership should be titled as "[Beneficiary Name] as beneficiary of [Decedent Name]"
- ★ **If the owner is a trust:**
  - The ownership should be titled as "[Trust Name] as beneficiary of [Decedent Name]"

#### What information should be provided in the Owner and Annuitant section of the application?

- ★ **If the owner is a living person:**
  - In the primary owner section, list the address, social security number and date of birth for the beneficiary of the decedent's existing policy.
  - The primary owner should also be designated as the annuitant of the inherited contract.
- ★ **If the owner is a trust:**
  - In the owner information section of the application, provide the trust information, including the tax ID number.
  - The annuitant must be a living individual. The annuitant's personal information, including social security number, should be listed in the annuitant section of the application.
  - **The trust must be listed as the beneficiary of the new contract.**

**What additional documents are required to be submitted with an inherited policy, aside from the standard new business paperwork?**

- ★ **For Inherited IRA cases:**
  - RMD Systematic Payment Election Agreement for Inherited IRAs (S2652911NW)
- ★ **For Inherited non-qualified cases:**
  - Acknowledgement and 72(s) Systematic Payment Election Agreement for Inherited Non-qualified Annuity (S2658713NW)

**Required Minimum Distribution and 72(s) Requirements and Other General Information:**

If applicable, the required minimum distribution (RMD) or 72(s) required payment must be taken for the current tax prior to opening the new annuity at Great American. The systematic distributions cannot start until after the first contract year.

**When a trust owns an inherited contract, who does Great American base the RMD payments on?**

- ★ If the trust is a look-through trust, the RMD or 72(s) required payment may be based off the eldest beneficiary of the trust, who must be age 75 or younger on the date of issue. The date of birth for each trust beneficiary must be provided.
- ★ In the case of an Inherited IRA, if the decedent died after his/her RMD required beginning date, the RMD may be based on the decedent's remaining life expectancy if the decedent would have been age 75 or younger on the date of issue.

**If my client has multiple inherited contracts, can they take all RMDs or 72(s) required payments from just one?**

- ★ No, they must take the RMD or 72(s) required payments for each Great American inherited contract from that Great American contract.

**Can my client move Inherited IRA money via an indirect rollover?**

- ★ No, an Inherited IRA must be funded via a direct transfer or direct rollover. The check must come from the transferring company or bank.
- ★ Personal checks cannot be taken under any circumstance.
- ★ Bank cashier's checks are only acceptable if the bank was the custodian or trustee for the prior IRA or retirement plan.

**Does Great American require a death certificate be submitted with the new application?**

- ★ No, a death certificate is not required to be submitted with a new business application.
- ★ In certain circumstances, we may request a copy of the death certificate if clarification of decedent information is needed.

**If my client has inherited multiple contracts, can they be consolidated into one single inherited contract?**

- ★ The funds must all come from one decedent – you cannot commingle funds from a non-qualified annuity contract or qualified contract owned by one decedent with funds from a non-qualified annuity contract or qualified contract owned by another decedent.
- ★ Qualified funds cannot be commingled with non-qualified funds.

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***Thank you for your business!***

