

TRUSTEED IRAs

Account Preservation for the Next Generations

What Is a Trusteed IRA?

A trusteed IRA is a trust account that provides preservation and control of your individual retirement account (IRA) assets after your death. It allows you to combine your estate planning goals and your retirement goals within a single framework.

How Is a Trusteed IRA Different from a Typical Custodial IRA?

While traditional custodial IRAs and trusteed IRAs are treated identically for tax purposes during your life, the trusteed IRA gives you control over the ultimate disposition of your IRA assets after your death. In a typical custodial IRA, your named beneficiary takes control of your IRA assets upon your death and can withdraw them at will. With a trusteed IRA, you control the distribution of the IRA—the who, how, and when—for multiple generations, by choosing the beneficiaries and structuring how the IRA assets are to be distributed.¹

What Are the Benefits of a Trusteed IRA?

- A trusteed IRA may allow your assets to “stretch.” Upon your death, a trusteed IRA will control all distributions according to provisions you set out.
- A trusteed IRA can provide estate planning for your IRA assets held in the trust at little or no cost.
- Should your beneficiary die prior to exhausting the trusteed IRA, the provisions of the trust will determine who will receive the remainder interest.
- Your trustee can be authorized to continue to use the assets for your benefit should you become incapacitated.
- Your estate may be settled more quickly if the bulk of it is in the trusteed IRA. A trusteed IRA typically avoids probate since the assets will transfer on death in accordance with the trust document.
- The IRS has complex rules that govern how IRA assets are to be distributed, both during the account owner’s lifetime and after death. The Private Trust Company’s (PTC) trusteed IRA document is pending a preapproval by the IRS to qualify under those rules.



A trusteed IRA combines the tax benefits of a traditional IRA with the control and preservation benefits of a trust.

¹ The minimum balance and the fees charged for trusteed IRAs can be significantly larger than those for a custodial IRA. Trustee and other attorney fees and other costs may also apply.

Is a Trusteed IRA Right for Me?

A trustee IRA may be a good choice for you if you have:

- Substantial IRA assets and are interested in continuity and controlled disposition of your assets at death.
- A desire to provide for regular payments to children or other heirs without passing complete ownership of IRA assets to them.
- A second marriage and wish to provide for your spouse at your death while also ensuring that remaining IRA assets pass to your children by a prior marriage.
- An estate that consists primarily of retirement assets.

Traditional IRAs are funded with tax-deductible contributions, in which any earnings are tax deferred until withdrawn, usually after retirement age. Unless certain criteria are met, IRS penalties and income taxes may apply on any withdrawals taken from traditional IRAs prior to age 59½. Required minimum distributions must generally be taken by the account holder within the year after turning 72.

Why Use The Private Trust Company?

The Private Trust Company, N.A., (PTC) is a nationally chartered company authorized to provide trust services in all 50 states. We're dedicated solely to the administration of trusts and other family wealth arrangements, such as family offices, businesses, and foundations. We're committed to providing high-quality service at every step of the trust process. In addition:

- Our experienced and knowledgeable trust officers have backgrounds in law, accounting, banking, investment management, tax, and business. They are sophisticated professionals with objective family sensitivities.
- Our flexible model allows your financial advisor to continue managing your assets.
- PTC is regulated and examined by the Office of the Comptroller of the Currency, audited by independent auditors, and bonded to protect your assets.
- We provide timely and accurate statements to you and your advisors.
- We help you develop a written investment policy statement to provide a clear understanding of your goals, objectives, and guidelines for the trust.
- Accounts are reviewed annually and investment policies are revised as appropriate to reflect changes to the portfolio, client circumstances, and markets.
- PTC is wholly owned by LPL Financial Holdings, Inc.

Why Leave Your Planning to Chance?

To learn more about trustee IRAs and PTC, please call us at (800) 877-7210 x167990, or visit us at www.ThePrivateTrustCompany.com.



This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.