

# Questions to Ask Your Custodian

Here are the questions you or your advisor should look to see are answered in the IRA adoption agreement.

- What are the annual fees and fees if you desire to transfer your IRA to another custodian?
- Will the custodian or plan administrator require that a designation of a beneficiary or beneficiaries be done on their own forms, or will they accept as valid a detailed, customized beneficiary designation created in conjunction with your retirement plan professional? A custodian or plan administrator's own form is often too limiting. But, be prepared to sign a document relieving the plan administrator or IRA custodian of liability for accepting your form.
- In the event of death, will the custodian permit your beneficiary or beneficiaries to receive payments over the period permitted by tax law and IRS rules and regulations, or will they mandate a shorter payout period?
- In the event of death, will the custodian permit your beneficiary or beneficiaries the amount of time granted by the tax law or IRS rules and regulations to choose among any available options, or will the custodian require a choice be made in a lesser time?
- In the event of death, will the custodian permit your beneficiary or beneficiaries to do a trustee-to-trustee transfer of the IRA account to a different custodian? At what fee?
- In the event of death, will the custodian permit the beneficiary of any portion of the account to name a subsequent beneficiary, for the sole purpose of avoiding probate in the estate of the beneficiary, in the event the original beneficiary should die prior to the exhaustion of the account balance?
- If at the time of death, your beneficiary or beneficiaries are permitted (by their election or other wise) to take distributions over a term certain number of years, will the custodian permit distributions over that period even if a beneficiary should subsequently die? For example, if, at death, the beneficiary is permitted a payout period that computes to 40 years, the tax law locks in that 40-year pay-out period, even if the beneficiary should die sooner. Will the custodian permit this?

Still have money in your employer's 401(k) or profit sharing? Like custodians, the plan may have its own rules that limit your beneficiaries' flexibility and tax benefits. In fact, many employer's plans put severe restrictions on non-spouse beneficiaries.

By the way, can you locate your copy of those beneficiary forms for every retirement account you own? Don't expect the custodian or administrator to have these, as they can lose forms. And you don't ever want to have a situation where they claim that you never provided a beneficiary form, especially since this would most likely come up when you are no longer around to dispute it.

