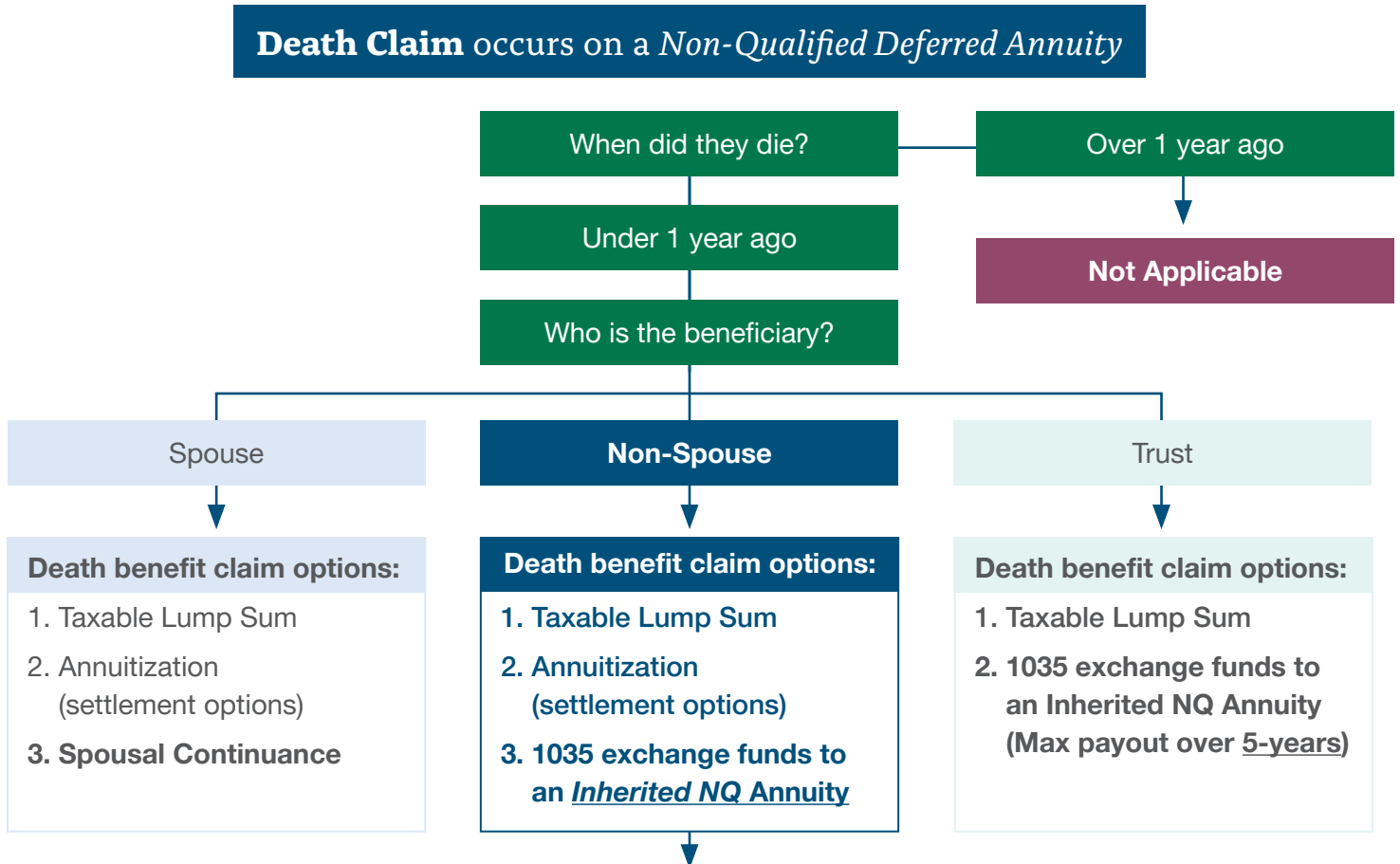


# Inherited Non-Qualified (NQ stretch)

The purpose of the Inherited NQ exchange is to allow the non-spouse beneficiary to stretch the tax deferred gain over their lifetime instead of having to take a taxable lump sum.



## Rules to remember for an *Inherited NQ* case:

1. Within 1-year from the date of death, the policy must be established and the first RMD taken
2. RMDs calculated using IRS Single Life Expectancy Table
3. Lifetime RMDs are required, but can take more
4. Includes internal and external transferred funds
5. Allowed to combine funds from the same deceased
6. Each beneficiary can choose their own death benefit option
7. Cannot add joint owners nor annuitants
8. No IRS 10% penalty for pre-59.5 withdrawals
9. Full or partial transfers are allowed
10. Certain products, features, and riders may not be available

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