November 24, 2025

Important Reminder for Inherited IRAs

If you inherited an individual retirement account (IRA) from an individual who lived past the date on which they had to begin taking their required minimum distribution (RMD), you may need to start taking RMDs in 2025. The 10-year rule enacted by the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) requires that non-spouse beneficiaries withdraw the entire inherited IRA by December 31 of the 10th year following the original owner's death.

Originally, the act was interpreted to allow a beneficiary to withdraw the inherited IRA at any point over the 10-year period rather than requiring yearly RMDs. However, SECURE Act 2.0 clarified that the beneficiary must withdraw RMDs yearly. The 10-year rule does not apply to certain beneficiaries: the owner's spouse, chronically ill or disabled beneficiaries, minor children, and beneficiaries who are not more than 10 years younger than the original owner.

Be sure to consult with your advisers to determine whether you are required to take an RMD prior to year-end.