

A compliance health check on your Traditional IRA documents

Detailed changes from 2025 to 2020

2025

(November 2025, COLA updates, IRS Ann. 2025-2, and US H.R. 517)

Form 5305 and Form 5305-A (for self-directed accounts and custodial accounts)

- Amended section 8.02, *Definitions*, to clarify how the phrase “SIMPLE IRA” is used throughout the document

Traditional IRA Disclosure Statement

- Amended the *Definitions* section to reflect the same changes made to section 8.02 above
- Amended the *State Laws* subsection in the *IRA Restrictions and Approval* section to add “disclaimers” to the list of state laws that could impact an IRA
- Amended the *IRA Eligibility and Contributions* section; updated the *Maximum Contribution Limits* subsection to reflect the 2026 COLA limits
- Amended the *Tax Deductions* section; updated the *Deduction Limits* subsection to reflect the 2026 COLA limits
- Amended multiple subsections under the *Moving Assets To and From IRAs* section:
 - Added the word “Traditional” in front of “SIMPLE IRA” in two subsection headings
 - Removed an obsolete date in the *Repayment of a Qualified Birth or Adoption Distribution* subsection
 - In the *Repayment of Withdrawals for Domestic Abuse* section, the distribution limit was changed to reflect the increased amount for 2026
- Amended the *Qualified Charitable Distributions (QCD)* subsection and the subsection *Withdrawals for Individuals in Case of Domestic Abuse* of the *IRA Distributions* section to reflect this year’s limits
- Amended the *RMDs for You* section to remove an obsolete requirement from the *Distributions Calculations* subsection
- Amended the *RMDs For Your Beneficiaries* section; modified the introductory language to streamline the discussion of the IRS beneficiary rules and make other clarifying edits. Multiple subsections were also amended:
 - In the *Designated Beneficiary* subsection, the explanation of the single life expectancy method was revised
 - Made several revisions in the *Eligible Designated Beneficiary* subsection, including revisions to clarify that spouse beneficiaries may have multiple life expectancy options
 - Revised the *Successor Beneficiaries* subsection to note that state law, as well as financial institution policy, could limit the ability to name successor beneficiaries
- Amended the *Estate and Gift Tax* section to add cautionary language for beneficiaries who may want to disclaim all, or a portion, of an IRA
- Amended the *Disaster Tax Relief and Repayment of a Qualified Disaster Recovery Distribution* section to note that disasters may be declared not only by the President, but also by state officials

2024

(November; 2025 COLA updates; final IRS required minimum distribution (RMD) rule updates)

Form 5305 and Form 5305-A (for self-directed accounts only)

- Amended Section 8.11(e), *Qualifying Longevity Annuity Contract (QLAC)*; updated the dollar limitation on premiums paid with respect to QLACs to the 2025 cost-of-living adjustment (COLA) amount

Form 5305 and Form 5305-A (for self-directed accounts and custodial accounts)

- Amended section 8.02, *Definitions*; clarified that references to Individual Retirement Account or “IRA” and “Traditional IRA” include an IRA indicated to be a Simplified Employee Pension (SEP) IRA, and that references to Savings Incentive Match Plan for Employees IRA or “SIMPLE IRA” do not indicate a Roth SIMPLE IRA unless specifically stated

- Amended section 8.12, *Distributions*; added a NOTE advising IRA owners to seek the guidance of a tax or legal professional surrounding the taking of required minimum distributions (RMD)
- Added section 8.13, *Beneficiary Default Election*; this new section defined the default election in the event an eligible designated beneficiary does not elect an RMD method

Traditional IRA Disclosure Statement

- Throughout the Disclosure Statement, changed the 10 percent early-distribution from a “penalty tax” to an “additional tax” to conform with IRS terminology; and clarified that “qualifying trusts” are also known as “see-through trusts” for the purposes of defining IRA beneficiaries
- Amended the *Definitions* section; noted that references to “SIMPLE IRA” do not indicate a Roth SIMPLE IRA unless specifically stated
- Amended several subsections of the *IRA Restrictions and Approval* section:
 - In the *Collectibles* subsection, added references to nonfungible tokens (NFTs) and a reference to IRS Notice 2023–27
 - Amended the *No Prohibited Transactions* subsection; noted that any deemed distribution resulting from a prohibited transaction will not count toward any RMDs
- Amended the *IRA Eligibility and Contributions* section; updated the *Maximum Contribution Limits* subsection to reflect the 2025 COLA limits
- Amended the *Tax Deductions* section; updated the *Deduction Limits* subsection to reflect the 2025 COLA limits
- Amended multiple subsections under the *Moving Assets To and From IRAs* section:
 - Amended the *IRA-to-IRA Rollovers* subsection; noted that references to Roth IRA includes Roth SEP and Roth SIMPLE
 - In the *Rollovers and Transfers from SIMPLE IRAs* subsection, a statement was added noting that Roth SIMPLE IRA distributions are never eligible for rollover or transfer to a traditional IRA
 - In the *Rollovers to SIMPLE IRAs* subsection, a statement was added noting that Roth SIMPLE IRA distributions are never eligible for rollover to a SIMPLE IRA
 - Amended the *Repayment of Withdrawals for Domestic Abuse* subsection; reflected the 2025 COLAs
- Amended the *Movement of Assets Between Traditional and Roth IRAs* section; made several changes to the *Traditional IRA to Roth IRA Conversions* subsection, including adding a statement that any aggregate RMDs not taken for the year cannot be converted
- Amended multiple subsections and added a new subsection under the *IRA Distributions* section including:
 - Amended the *Qualified Charitable Distributions (QCD)* subsection; reflected the 2025 COLA limits and that the once in a lifetime QCD limit for a split-interest entity is subject to annual COLAs
 - Amended the *Withdrawals for Certain Emergency Expenses* subsection; added a statement that written certification must be provided to the custodian/trustee
 - Amended the *Withdrawals for Individuals in Case of Domestic Abuse* subsection; reflected the current COLA limit and noted that the total withdrawal limit is subject to an annual COLA, and added a statement that written certification must be provided to the custodian/trustee
 - Added the new *Withdrawals for Individuals with a Terminal Illness* subsection; summarized the rules related to taking withdrawals for individuals with a terminal illness
- Amended several subsections under the *RMDs for You* section:
 - Amended the *After Age 73* subsection; described which IRA owners must take RMDs beginning at age 73 and which must begin taking RMDs at age 75
 - Amended the *No Rollovers or Repayments of RMDs* section to note that before there can be a rollover or repayment of any portion of the IRA account balance, all RMDs for all IRAs must be satisfied
 - For trust and self-directed account versions only, amended the *Qualified Longevity Annuity Contract (QLAC)* subsection to reflect the 2025 COLA amounts

2024
(November; 2025
COLA updates;
final IRS required
minimum
distribution
(RMD) rule
updates),
continued

- Amended the *RMDs For Your Beneficiaries* section; modified the introductory language to provide an expanded overview of the final beneficiary rules issued by the IRS in July 2024 and effective January 1, 2025. Multiple subsections were also amended:
 - In the *Types of Beneficiaries* subsection, noted that, in general, designated and eligible designated beneficiaries can name successor beneficiaries
 - Amended the *Designated Beneficiary* subsection; added a description of when a designated beneficiary has to take an annual RMD under the ten-year rule
 - Amended the *Eligible Designated Beneficiaries* subsection; added a description of the RMD options for an eligible designated beneficiary and references to a disabled or chronically ill minor child. This subsection was also amended to:
 - Add an explanation to the *Spouse Beneficiary* subpart for when a spouse may have to take an RMD prior to treating the IRA as his or her own as well as to include a reference to age 75 for those born in 1960 or later;
 - Add a description to the *Eligible Designated Beneficiary Who is Your Minor Child* subpart of who qualifies to be a minor child and summarize a minor child's RMD options; and
 - Simplify the *Eligible Designated Beneficiary (Other than a Surviving or Minor Child)* subpart by clarifying the use of the ten-year rule for this type of beneficiary
 - Amended the *Qualifying Trusts* subsection; removed the statement regarding a qualifying trust providing documentation of its beneficiaries to the trustee
 - Amended the *Successor Beneficiaries* subsection; added a statement that a successor beneficiary may be required to take annual RMDs
 - For trust and self-directed account versions only, amended the *Qualified Longevity Annuity Contract (QLAC)* subsection; removed the statement regarding return of premium death benefit when death occurs before the RMD required beginning date (RBD)
- Amended the *Federal Income Tax Withholding* section; added the title of IRS Form W-4R and added that QCDs are not subject to federal tax withholding
- Amended *Federal Tax Penalties and IRS Form 5329* section in the *Early-Distribution Additional Tax* subsection; listed additional exceptions to the additional tax
- Amended the *Disaster Tax Relief and Repayment of a Qualified Disaster Recovery Distribution* section; added specifics relating to what constitutes a qualified disaster area and the rules relating to a first-time principal home buyer

2023
(November; 2024
COLA updates;
New SECURE 2.0
Act updates),

Traditional IRA Disclosure Statement

- Amended the *IRA Eligibility and Contributions* section; updated the *Maximum Contribution Limits* subsection to reflect the current year's limits
- Amended the *Tax Deductions* section; updated the *Deduction Limits* subsection to add the 2024 COLA limits
- Modified the *Moving Assets To and From IRAs* section; amended one subsection and added two new subsections:
 - Added "less any RMD for that year" to the second sentence of the *IRA-to-IRA Rollovers* subsection
 - Added a new subsection titled *Repayment of Withdrawals for Certain Emergency Expenses* to address new SECURE 2.0 Act rules effective January 1, 2024
 - Added a new subsection titled *Repayment of Withdrawals for Domestic Abuse* to address new SECURE 2.0 Act rules effective January 1, 2024
- Modified the *IRA Distributions* section; amended one subsection and added two new subsections:
 - Amended the dollar amounts in the *Qualified Charitable Distributions (QCD)* subsection to reflect the current year's limits
 - Added a new subsection titled *Withdrawals for Certain Emergency Expenses* to address new SECURE 2.0 Act rules effective January 1, 2024
 - Added a new subsection titled *Withdrawals for Individuals in Case of Domestic Abuse* to address new SECURE 2.0 Act rules effective January 1, 2024
- Amended the *RMDs For You* section; retitled the *No Rollovers of RMDs* subsection to *No Rollovers or Repayments of RMDs*; updated the explanation to include the words "or repay" or "or repaid," as appropriate; and clarified the last sentence to better explain how an RMD that gets rolled over is treated for tax purposes

Form 5305 (for trust accounts)

- Amended Section 8.11(e), *Qualifying Longevity Annuity Contract (QLAC)*; updated the dollar limitation on premiums paid with respect to QLACs to the newly amended amount and removed the 25 percent aggregated limit

Form 5305-A (for self-directed accounts only, not for custodial accounts)

- Amended Section 8.11(f), *Qualifying Longevity Annuity Contract (QLAC)*; updated the dollar limitation on premiums paid with respect to QLACs to the newly amended amount and removed the 25 percent aggregated limit

Traditional IRA Disclosure Statement

- Amended the *IRA Restrictions and Approval* section; updated the *No Prohibited Transactions* subsection to clarify that the consequences of a prohibited transaction only apply to this IRA
- Amended two subsections of the *IRA Eligibility and Contributions* section:
 - Changed the last sentence of the *Regular or Annual IRA Contribution* subsection to read, "You may make a regular IRA contribution regardless of your age"
 - In the *Maximum Contribution Limits* subsection, modified the table and the note that follows to indicate that the catch-up contribution limit is now subject to annual COLA
- Amended one subsection in the *Moving Assets To and From IRAs* section and added another:
 - In the *Repayment of a Qualified Birth or Adoption Distribution* subsection, added the newly enacted repayment period and language addressing the transition rules for individuals who may have previously taken a qualified birth or adoption distribution
 - Added a new subsection titled *Repayment of a Distribution for Terminal Illness* to address a newly enacted law
- Amended the *IRA Distributions* section:
 - In the *Removal of Excess Contributions* subsection, removed text stating the 10 percent early-distribution penalty tax might apply to the attributable earnings on a contribution when removing an excess contribution
 - In the *Distributions of Unwanted IRA Contributions by Tax-Filing Date* subsection, removed text stating the 10 percent early-distribution penalty tax might apply to the attributable earnings on a contribution when removing an unwanted contribution
 - Updated the *Qualified Charitable Distributions (QCD)* subsection to reflect that the distribution limit is now subject to annual COLA as well as to add information about being able to elect to take a once in a lifetime QCD of up to \$50,000 to a split-interest entity
- Amended several subsections of the *RMDs For You* section:
 - In the *After Age 73* subsection, changed the age in the heading and in the body from 72 to 73
 - Amended the *Failure to Withdraw an RMD* subsection; reflected a recent law change reducing the excess accumulation penalty tax from 50 percent to 25 percent
 - For trust and self-directed versions only, amended the *Qualifying Longevity Annuity Contract (QLAC)* subsection; updated the dollar limitation on premiums paid with respect to QLACs to the newly amended amount and removed the 25 percent aggregated limit
 - For custodial version only, removed the *Qualifying Longevity Annuity Contract (QLAC)* subsection as it is inapplicable to a traditional IRA custodial account
- Amended the *RMDs For Your Beneficiaries* section:
 - Amended one part of the *Eligible Designated Beneficiary* subsection:
 - Amended Part 3.a., *Spouse Beneficiary*; changed age 72 to 73
- Amended two subsections of the *Federal Tax Penalties and IRS Form 5329* section:
 - Amended the *Early-Distribution Penalty Tax* subsection; added qualified disaster recovery distributions, distributions taken for a certified terminal illness, and earnings attributable to an excess or unwanted regular contribution to the list of exceptions to the 10 percent early-distribution penalty tax

2023
(January;
SECURE 2.0 Act),
continued

- Updated the *Excess Accumulation Penalty Tax* subsection; reflected a recent law change reducing the excess accumulation of penalty tax from 50 percent to 25 percent and noted that the penalty may be reduced to 10 percent if corrected within the correction window
- Amended the *Disaster Tax Relief and Repayment of Qualified Disaster Recovery Distribution* section; updated the section to reflect the rules as modified by a recent law change

2022
(2023 COLA
updates)

Form 5305 (for trust accounts)

- Amended Section 8.11(e), *Qualifying Longevity Annuity Contract (QLAC)*; updated the dollar limitation on premiums paid with respect to QLACs to the current amount

Form 5305-A (for self-directed accounts only, not for custodial accounts)

- Amended Section 8.11(f), *Qualifying Longevity Annuity Contract (QLAC)*; updated the dollar limitation on premiums paid with respect to QLACs to the current amount

Traditional IRA Disclosure Statement

- Amended the *IRA Eligibility and Contributions* section; updated the *Maximum Contribution Limits* subsection to reflect the current year's limits
- Amended the *Tax Deductions* section; updated the *Deduction Limits* subsection to add the 2023 COLA limits
- Amended the *IRA Distributions* section; updated the *Qualified Charitable Distributions (QCD)* subsection to add "annually" to the \$100,000 amount of tax-free distributions
- Amended two subsections of the *RMDs For You* section:
 - Replaced "will owe" the penalty with "are subject to" the penalty in the *Failure to Withdraw an RMD* subsection
 - For trust and self-directed versions only, amended the *Qualifying Longevity Annuity Contract (QLAC)* subsection; updated the dollar limitation on premiums paid with respect to QLACs to the current amount
- Amended the *RMDs For Your Beneficiaries* section:
 - Added information regarding the 2022 proposed RMD rule to the opening paragraph
 - Amended two parts of the *Eligible Designated Beneficiary* subsection:
 - Amended Part 3.a., *Spouse Beneficiary*; addressed that a spouse beneficiary must take any required RMD when rolling over shares to their own IRA
 - Amended Part 3.b., *Eligible Designated Beneficiary Who is Your Minor Child*; removed reference to state law when defining age of majority
 - Amended the *Successor Beneficiaries* subsection; added reference to taking remainder of the Original Beneficiary's ten-year period
- Amended the *Federal Income Tax Withholding* section; replaced reference to IRS Form W-4P with reference to IRS Form W-4R
- Amended the *Disaster Tax Relief and Repayment of Qualified Disaster Distribution* section; updated the citation for the IRS' Disaster Tax Relief website

2021
(2022 COLA and
IRS Publication
590-B Guidance
updates)

Form 5305 (for trust accounts)

- Amended Section 8.11(e), *Qualifying Longevity Annuity Contract (QLAC)*; updated the dollar limitation on premiums paid with respect to QLACs

Form 5305-A (for self-directed accounts only, not for custodial accounts)

- Amended Section 8.11(f), *Qualifying Longevity Annuity Contract (QLAC)*; updated the dollar limitation on premiums paid with respect to QLACs

Traditional IRA Disclosure Statement

- Amended the *IRA Eligibility and Contributions* section; updated the *Maximum Contribution Limits* subsection to reflect the current year's limits
- Amended the *Tax Deductions* section; updated the *Deduction Limits* subsection to add the 2022 COLA limits

- Amended two subsections of the *RMDs For You* section:
 - Removed obsolete information about the first RMD deadline for tax years 2019 and earlier from the *After Age 72* subsection
 - For trust and self-directed versions only, amended the *Qualifying Longevity Annuity Contract (QLAC)* subsection; updated the dollar limitation on premiums paid with respect to QLACs
- Amended several parts of the *Eligible Designated Beneficiary* subsection of the *RMDs For Your Beneficiaries* section:
 - Amended Part 3.a., *Spouse Beneficiary*, to address IRA options and clarify the ten-year rule for surviving spouse beneficiaries
 - Amended Part 3.b., *Eligible Designated Beneficiary Who is Your Minor Child*, to address new IRA rule for eligible designated beneficiaries who are surviving minor children of the IRA account owner, that they must remove all assets from the IRA by the tenth anniversary of the date they attain the age of majority
 - Amended Part 3.c., *Eligible Designated Beneficiary (Other than a Surviving Spouse or Minor Child)*, to address IRA options and clarify the ten-year rule for eligible designated beneficiaries who are not a surviving spouse or a minor child of the IRA account owner; added the requirement that qualifying trusts choosing the single life expectancy option must use the age of the oldest trust beneficiary when calculating the RMD

Traditional IRA Disclosure Statement

- Amended the *State Law* subsection in the *IRA Restrictions and Approval* section; updated the list of state laws that may affect an IRA
- Amended a number of subsections in the *IRA Eligibility and Contributions* section:
 - Amended the *Regular or Annual IRA Contributions* subsection; clarified that a direct tax refund contribution is subject to the standard annual contribution limits; removed the requirement to be younger than age 70½ to make IRA regular or annual contributions; and added language expressly authorizing regular or annual contributions after age 70½
 - Amended the subsection *Compensation for Eligibility*; removed the requirement to be younger than age 70½ to make IRA regular or annual contributions
 - Updated the *Maximum Contributions Limits* subsection to reflect the current years' limits
 - Amended the *Contribution Deadline* subsection; updated text to reflect the concept of postponed contributions
- Amended the *Deduction Limits* subsection in the *Tax Deductions* section; updated to reflect the current years' limits
- Amended a number of subsections in the *Moving Assets To and From IRAs* section:
 - Amended the *Rollovers from Employer-Sponsored Eligible Retirement Plans* subsection; changed "certain plan loan offsets" to "qualified plan loan offsets"
 - Amended the *Waiver of the 60-Day Period* subsection; changed "waive" to "extend" and "waiver" to "extension" throughout the subsection, including in the subsection heading; amended text to reflect the concept of a late rollover
 - Renamed the *Qualified Reservist Contributions* subsection as *Repayment of a Qualified Reservist Distribution*
 - Added a subsection titled *Repayment of a Qualified Birth or Adoption Distribution* to address new rules and permit such a repayment
- Amended the *Qualified Charitable Distributions* subsection in the *IRA Distributions* section; added text related to *Qualified Charitable Distributions* and tracking deductible contributions after age 70½
- Amended the *RMDs After Age 70½* subsection in the *RMDs For You* section; updated age 70½ to age 72 throughout the subsection, including in the subsection heading; added a sentence explaining the age requirement to begin taking RMDs was previously age 70½
- Amended the section *RMDs For Your Beneficiaries*; the entire section has been revised to address new rules for beneficiaries of an IRA owner who dies in the year 2020 or later
- Amended the *Early-Distribution Penalty Tax* subsection in the *Federal Tax Penalties and IRS Form 5329* section; added "qualified birth or adoption distributions" to the list of early-distribution 10 percent penalty tax exceptions
- Renamed *Disaster Tax Relief* section as *Disaster Tax Relief and Repayment of a Qualified Disaster Distribution*; removed the sentence saying disaster distributions may be subject to a lifetime aggregate; removed reference to IRS Publication 976; and updated the URL where disaster relief information can be found on the IRS website