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The Inherited IRA

The SECURE Act 10-year rule, the five EDB exceptions, see-through trust rules, and Roth-inherited compounding runway. Print, July 2026.

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Inherited IRA — the SECURE Act 10-Year Rule and Its Exceptions

The SECURE Act of 2019 (and SECURE 2.0 in 2022) fundamentally changed inherited IRA planning. The pre-2020 “stretch IRA” that let a young beneficiary distribute across their expected lifetime is largely gone. Non-eligible beneficiaries must fully distribute an inherited IRA within 10 years of the original owner’s death. Five specific categories of “eligible designated beneficiaries” escape the 10-year rule. This is the practitioner walkthrough.

Snapshot: 2026-06-30

The default rule

10-year distribution for non-EDBs

Under the SECURE Act, non-eligible designated beneficiaries (essentially most adult children and non-spousal beneficiaries) must fully distribute an inherited IRA by December 31 of the tenth year following the year of the original owner’s death. Post-2024 IRS regulations further specify that if the original owner had already begun RMDs, the beneficiary must continue taking annual RMDs during the 10-year period, based on the beneficiary’s single life expectancy.

The five EDB categories

Beneficiaries that escape the 10-year rule

1. Surviving spouse. May treat the IRA as their own or continue as beneficiary. Full stretch remains available.

2. Minor child of the original owner. Stretch until age of majority (typically 21 under SECURE 2.0), then 10-year clock begins.

3. Disabled beneficiary. Stretch over the beneficiary’s life expectancy. Requires substantiation.

4. Chronically ill beneficiary. Stretch over the beneficiary’s life expectancy. Requires certification.

5. Individual not more than 10 years younger than the deceased. Stretch over the beneficiary's life expectancy. This is the "same-generation" escape used by siblings and same-age partners.

Roth inherited IRAs

The wrapper stays alive but the clock ticks

An inherited Roth IRA is still subject to the 10-year rule for non-EDBs, but distributions during that period are tax-free (subject to the 5-year rule from the original owner's first Roth contribution). The Roth wrapper permits the balance to continue compounding tax-free for the 10-year window before full distribution — a valuable tax-free compounding runway even after death of the original owner.

Trust-as-beneficiary

The see-through trust rules

A trust can be a designated beneficiary of an IRA if it qualifies as a "see-through trust" under Treas. Reg. §1.401(a)(9)-4. Requirements: valid under state law; irrevocable at death (or becoming irrevocable at death); beneficiaries identifiable; and trust documentation provided to the custodian by the deadline. If the see-through requirements are met, the trust's underlying beneficiaries determine the applicable distribution rule — 10-year for non-EDBs, stretch for EDBs.

Cross-references

Where to read next

Applied estate planning depth: The Baratelli Estate Planning Decoded guide walks the trust drafting for IRA beneficiaries.