

Beneficiary Explanation

Standard Designation means that upon your death, the assets held within your IRA will be distributed to your selected beneficiary(ies). In the event that said beneficiary(ies) predecease(s) you, the beneficiary(ies)'s percentage will be divided, on a pro-rata basis, among the remaining primary beneficiary(ies), if any, or if there are no surviving primary beneficiaries, among the contingent beneficiary(ies) on this form.

Per Stirpes means that upon your death, the assets held within your IRA will be distributed to your selected beneficiary(ies) as normal. In the event that said beneficiary(ies) predeceases the account owner, his or her percentage is passed on, equally, to his /her issue. If he or she has no surviving issue, the funds will be divided among the remaining beneficiaries on a pro-rata basis. Per Stirpes and Per Capita MAY NOT be used within the same level of designation (i.e. one primary beneficiary Per Capita, one Per Stirpes).

Per Capita means that upon your death, the assets held within your IRA will be distributed to your selected beneficiary(ies) as normal. In the event that said beneficiary(ies) predeceases the account owner, his or her share is divided equally among both his or her issue, as primary beneficiary(ies), and the remaining primary beneficiary(ies) named by you. If he or she has no surviving issue, the funds will be divided among the remaining beneficiaries on a pro-rata basis. Per Stirpes and Per Capita MAY NOT be used within the same level of designation (i.e. one primary beneficiary Per Capita, one Per Stirpes).

All My Children means that upon your death, the assets held within your IRA will be distributed to your surviving natural or adoptive children. Step children are not eligible with this designation. Should there be no living children at the time of the IRA owner's death, the assets will pass to the contingent beneficiaries, if named, or to the estate if there are no contingent beneficiaries. It is not necessary to list the names of each individual child.

Example of Issue = children's children (or grandchildren)

"LDPS" following the name of the primary or contingent **beneficiary** refers to a class of unnamed persons who are the lineal descendants **per stirpes of the primary or contingent beneficiary**, and who are to take, upon surviving the shareholder, in the place of and with the same priority as the named person for whom they ...

ESTATE PLANNING PER STIRPES vs. PER CAPITA



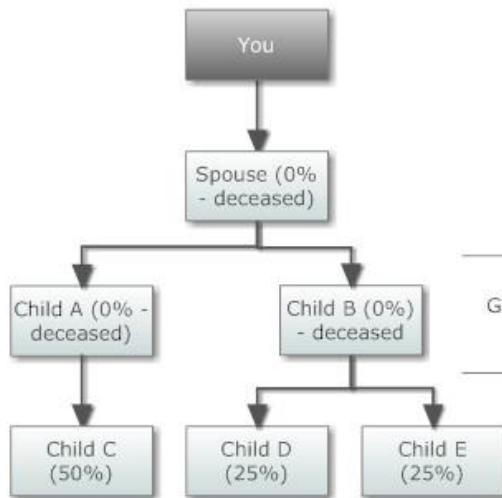
- Weighs each branch equally

System of inheritance under which each branch of the deceased person's family receives an equal share of the estate, regardless of how many people are in that branch

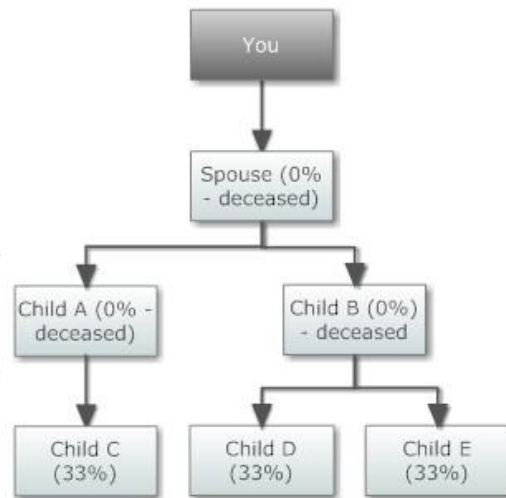
- Weighs each person equally

System of inheritance under which each person of the deceased person's family receives an equal share of the estate

Per Stirpes Distribution Example



Per Capita Distribution Example



Generational Line

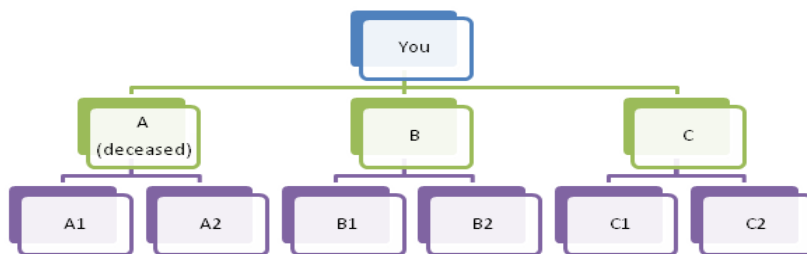
Per Capita--A means by which a grantor can distribute his/her estate so that each of the surviving descendants will share equally, regardless of generation.

Per Stirpes--A method of dividing an estate among one's surviving descendants. Each survivor receives only the amount that his/her immediate ancestor would have received if that ancestor had been alive at the time of the grantor's death. The following example may make this clearer: Assume a person has 4 children -- 3 sons and one daughter -- each of whom survive, and leaves everything to "the children or their survivors, per stirpes". In that case, each of the 4 children would receive 25% of the estate and the grandchildren receive nothing. If one of the 3 sons and the daughter have died, that leaves only 2 of the sons alive. If there is also 1 child of the deceased son (a grandchild) and 2 grandchildren from the deceased daughter. Under a per stirpes distribution, the 2 sons each get 25%, the 1 grandchild of the deceased son gets his/her father's share of 25%, and the 2 children of the deceased daughter split her 25% share and receive 12.5% each

With *per stirpes*, your property passes equally among your issue (your direct descendents). If any of your issue has previously died, then that portion is divided equally among their issue.

With *per capita*, first the number of eligible beneficiaries must be determined. The eligible beneficiaries are any living direct descendents and the issue of any direct descendents who have previously died.

Suppose you have three children named A, B, C and each of your children has given you two grandchildren (A1, A2, B1, B2, C1, and C3). "A" was tragically killed in an automobile accident some years ago. Your family tree looks something like this:



If you leave your estate *per stirpes*, your children are each entitled to 1/3. Since A has already died, that share is divided equally by A's children. So A1 and A2 each get 1/6 of the estate (half of 1/3) and B & C each get 1/3.

Now suppose you leave your estate *per capita*. There are 4 living beneficiaries; A1, A2, B, and C and the estate is divided equally among them.

	<i>per stirpes inheritance</i>	<i>per capita inheritance</i>
A1	1/6	1/4
A2	1/6	1/4
B	1/3	1/4
C	1/3	1/4