

Military Death Gratuities and Service-members Group Life Insurance Payments and Roth IRAs  
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A special type of rollover contribution is authorized. If a person receives a military death gratuity or a payment from Service-members' Group Life Insurance (SGLI), this person may roll over all or part of the amount received to his or her Roth IRA. Such payments are made to an eligible survivor upon the death of a member of the armed forces.

If you are the person and you are a member of the decedent's family, then you may make a rollover contribution to your Roth IRA. The maximum amount eligible to be rolled over is the total of the survivor benefits less any amounts already rolled over on your behalf of another family member's behalf to a Roth IRA or other Coverdell ESAs. The amount of survivor benefits contributed to the Roth IRA will be basis and will not be taxed when withdrawn.

This special rollover must be completed within one year after the date the individual received the death benefit gratuity or the SGLI payment. The once per year rollover limit applying during a 12-month period does not apply to rolling over a military death gratuity or a SGLI payment.

This special rollover is not subject to the annual contribution limits applying to Roth IRA contributions.