

January 2025

UBTI & K-1 Procedures

- K-1s received by CNB are forwarded to the IRA owner along with detailed instructions. Some investments will send the form directly to the account owner.
- IRA owners are responsible for bringing all K-1s (both those forwarded by CNB and coming from investment companies) to their tax preparer to determine if the IRA has any tax liability.
- If tax is owed, IRA owners should obtain a separate EIN for the IRA and complete and electronically submit Form 990-T to the IRS. CNB's Payment and Filing Authorization Form and a copy of IRS Form 990-T need to be sent to CNB.
- CNB will send the payment to the IRS from available cash in the IRA.
- Attention should be given to the tax filing deadlines to give CNB enough time to process paperwork in a timely manner.



Coming Soon!

We are in the process of updating our DocuSign forms to make them easier to complete. Many forms will now be web based, so instead of filling out a PDF full of small text fields, you will be prompted to enter required information on an online form. Our DocuSign packets will go away and be replaced by a smart workflow. You will be able tell the system what you are trying to accomplish and it will automatically combine all the correct forms together for the transaction. Watch for these new features to be released soon!

Changes to RMD Requirements on Beneficiary Accounts

This summer, the IRS announced that IRA beneficiaries who chose the 10 year rule when claiming an IRA need to begin taking required minimum distributions (RMDs) in 2025. A new release from the IRS has pushed the starting day for RMDs in these accounts to January of 2026. Although the entire IRA still needs to be depleted within 10 years of the date of death, account owners will not be required to withdraw money until 2026. CNB will still calculate and provide the RMD amount, but the IRS will not impose a penalty if the RMD is not taken in 2025.

News & Reminders

- Please begin using the **NEW APPLICATIONS** starting **January 1st**. If you have old applications on hand please destroy them.
- CNB sends **data feeds** to Orion, Advyzo, Circle Black, and RedTail. If you use any of these providers give us a call to get your feeds established. Many other providers are able to pull CNB data into their system, Check with us to see if we can get CNB feeds to your preferred aggregator.
- CNB has a **secure file delivery** option. Just go to cnbcustody.com and click the "Secure File Transfer" button in the upper right hand corner to upload and deliver files to CNB securely.
- The IRS has released the **2025 W-4R** for tax withholding. CNB forms that require a W-4R have been updated, be sure you are using the most current version of these forms.



Custody of Direct Real Estate in IRAs

Five years ago, CNB Custody began allowing direct real estate such as rental properties, farmland, commercial properties, vacant lots, and more to be held in IRAs. Since that time, we have helped hundreds of clients make purchases and manage their properties through single member LLCs or held directly in the name of the IRA.



Though you may not recommend direct real estate IRAs to your clients, there will come a time when a client approaches you with a request for this service. You can tell them CNB can handle this type of transaction and feel good about sending them to someone you know and trust that won't compete for your business.

As you know, IRA real estate purchases come with many conditions. Our dedicated real estate team at CNB is ready to guide you and your clients through the purchase process and make it as easy as possible, while letting you know which pitfalls to avoid that may cause a prohibited transaction. Once the purchase has occurred, you will continue to work with the same team as your property earns income, has expenses, changes in value, and even when you are ready to sell.

For more information, download our real estate guide at www.cnbcustody.com/real-estate or call us at 800-680-0340 ext 6844.

Custodial Fees

Annual custodial fees have been billed and are printed at the end of each customer statement. They include the 2025 base fee and 2024 transaction fees. *If the savings portion of the account has sufficient cash, we have deducted the fee from the account unless an invoice was requested. For those with a balance due, please ensure your clients submit the fee payment by the due date shown on the enclosed statement.*

As a representative, you can view which of your clients have fees due in your online access portal by running the report titled Contributions/Savings Balance/Fees Due. Fees will also be listed at the bottom of each year end statement.

Account owners may pay their fee by credit card online at www.cnbcustody.com or mail a check to CNB. *If we do not receive payment by the due date of February 25th, a \$30 late fee per month will be charged until the fees are paid.*

Upcoming Dates & Deadlines

January 31	<ul style="list-style-type: none"> 1099Rs are mailed by this date to IRA owners who received distributions in 2024.
April 15	<ul style="list-style-type: none"> Previous year (2024) IRA contributions must be postmarked to CNB. Remove prior year excess contributions (extensions allowed). Recharacterize prior year IRA contributions (extensions allowed).
May 31	<ul style="list-style-type: none"> Form 5498 will be mailed by this date for IRAs with 2024 contributions.

Contribution Amounts for 2025

IRA Contribution Limits:

	Standard Limit:	Catch-Up Amount for Ages 50 & Over:	Total for Age 50 & Over:
2024	\$7,000	\$1,000	\$8,000
2025	\$7,000	\$1,000	\$8,000

Income Limits for Traditional IRA Deductions:

	Full Deduction for a MAGI of:	Partial Deduction for a MAGI Between:	No Deduction for a MAGI of:
Single Filers	Less than \$79,000	\$79,000-\$89,000	More than \$89,000
Married Filing Jointly	Less than \$126,000	\$126,000-\$146,000	More than \$146,000

Income Limits for Roth IRA Contributions:

	Full Contribution for a MAGI of:	Partial Contribution for a MAGI Between:	No Contribution for a MAGI of:
Single Filers	Less than \$150,000	\$150,000-\$165,000	More than \$165,000
Married Filing Jointly	Less than \$236,000	\$236,000-\$246,000	More than \$246,000

CNB Hours

8:00 AM to 4:30 PM Central Monday thru Friday
We will be closed:

New Year's Day	Labor Day
Martin Luther King Jr Day	Columbus Day
President's Day	Veterans Day
Memorial Day	Thanksgiving Day
Juneteenth	Christmas Day
Independence Day	

CNB Department Emails

General Inquiries:

irainfo@cnbcustody.com

New Accounts & Incoming Transfers:

newaccounts@cnbcustody.com

Purchases & Sales:

settlements@cnbcustody.com

Distributions:

distributions@cnbcustody.com

Address Updates & Beneficiary Changes:

acctadmin@cnbcustody.com

Corporate Actions & Dividends:

corpactions@cnbcustody.com

Tender Offers:

iratenders@cnbcustody.com

Outgoing Transfers and Beneficiary Claims:

transfers@cnbcustody.com

Direct Real Estate Inquiries:

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Investment Products: Not a Deposit - Not FDIC Insured – Not Insured By Any Federal Government Agency
Not Guaranteed By The Bank – May Go Down In Value

The savings balance and any CNB certificates of deposit are the only portions of your IRA insured by the FDIC.