

Internal Revenue Code Section 408(b)

Individual Retirement Annuity

(b) Individual retirement annuity

For purposes of this section, the term “individual retirement annuity” means an annuity contract, or an endowment contract (as determined under regulations prescribed by the Secretary), issued by an insurance company which meets the following requirements:

- (1)** The contract is not transferable by the owner.
- (2)** Under the contract –
 - (A)** the premiums are not fixed,
 - (B)** the annual premium on behalf of any individual will not exceed the dollar amount in effect under section 219(b)(1)(A), and
 - (C)** any refund of premiums will be applied before the close of the calendar year following the year of the refund toward the payment of future premiums or the purchase of additional benefits.
- (3)** Under regulations prescribed by the Secretary, rules similar to the rules of section 401(a)(9) and the incidental death benefit requirements of section 401(a) shall apply to the distribution of the entire interest of the owner.
- (4)** The entire interest of the owner is nonforfeitable.

Such term does not include such an annuity contract for any taxable year of the owner in which it is disqualified on the application of subsection (e) or for any subsequent taxable year. For purposes of this subsection, no contract shall be treated as an endowment contract if it matures later than the taxable year in which the individual in whose name such contract is purchased attains the applicable age (determined under section 401(a)(9)(C)(v) for the calendar year in which such taxable year begins); if it is not for the exclusive benefit of the individual in whose name it is purchased or his beneficiaries; or if the aggregate annual premiums under all such contracts purchased in the name of such individual for any taxable year exceed the dollar amount in effect under section 219(b)(1)(A).

Text contains those laws in effect on March 25, 2024