

# Does NUA transfer to a widow?

**Q. My husband passed away last year. Can I benefit from the NUA on his company stock? A.A., Park Ridge, N.J.**

**A.** Yes. Under the tax break for “[net unrealized appreciation](#)” (NUA), there’s no tax on the appreciation of value in company stock held in a qualified retirement plan. In addition, any subsequent gain from the sale of the stock is taxed at preferential capital gain rates. To qualify for these tax breaks, certain requirements must be met, such as receiving a lump-sum distribution in one tax year. These benefits may be transferred to a widow inheriting the stock.

**Tip:** Any future appreciation also qualifies for capital gain treatment.