



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Top IRA Rulings of 2014

"In 2014, the U.S. Government Accounting Office (GAO) released a report on IRAs," says Jeffrey Levine, CPA, an IRA technical consultant with Ed Slott and Company. "The GAO estimated that over 42 million taxpayers have IRAs, but only about 630,000 of those taxpayers had aggregate IRA balances of \$1 million or more."

As Levine points out, many advisors are competing for the relatively few clients with such large IRAs. "To get those clients, and to keep them," he says, "you need to be up on your game." Part of being game ready is keeping up with current IRA rulings, such as those that appeared in 2014.

Here are last year's top IRA rulings...

The Bobrow Decision and the "New" Once-Per-Year Rollover Rule

A well-established IRA practice allows clients to complete 60-day rollovers from one IRA to another. For instance, if Ed Brown needs some cash for a short time, he can pull the money

from his IRA. As long as Ed puts the money back within 60 days, there's no harm, no foul, and no tax bill.

But rollovers aren't always that simple, as illustrated by a 2014 Tax Court decision (*Bobrow, et ux. v. Commissioner*, TC Memo 2014-21, Docket No. 7022-11, 1/28/14). Tax attorney Alvan Bobrow took distributions from two IRAs and replaced them both within 60 days from other accounts. Bobrow thought the IRS had approved these tactics.

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The Tax Court didn't agree, ruling against Bobrow. According to the decision, "Regardless of how many IRAs he or she maintains, a taxpayer may make only one nontaxable rollover contribution within each one-year period."

Thus, the Tax Court ruled that the one-rollover-per-year rule applies to all of a taxpayer's IRAs in aggregate rather than to each IRA separately. "This decision conflicted with IRS Publication 590, which treated each IRA separately for purposes of this rollover limitation," says Michelle Ward, a partner with

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ED SLOTT STARTS 2015 WITH 2 BUSINESS-BUILDING WEBCASTS!

CAUTION! NEW 2015 RETIREMENT TAX RULES ADVISORS MUST KNOW

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ED SLOTT'S TOP 10 ROLLOVER MISTAKES

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