



# ED SLOTT'S IRA ADVISOR

© 2015 Ed Slott, CPA

March 2015

## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### Client's Team of "Professional Advisors" Fail to Prevent Failed Rollover... 3 Different Ways!

PLR 201506016  
Released by IRS February 6, 2015

The IRS denied a taxpayer's request to waive the 60-day rollover rule when he couldn't prove that his medical condition affected his ability to timely rollover IRA distributions. He tried to buy real estate as an IRA investment but didn't know how to do it properly despite having a team of professional advisors.

#### Facts of the PLR

"Frank's" intention was to buy an investment property and "place it into" his self-directed IRA. To make sure everything was done correctly, he hired a CPA, lawyer, financial advisor and a realtor to help him with the transaction. So far, so good. On February 1, 2013 and February 6, 2013, Frank took two IRA distributions that he used to buy the investment property. By doing so, Frank had already doomed his transaction to failure. He had taken two distributions from one IRA on two different dates and following the once-per-year rollover rule (both the

**He used the money from his IRA distributions to buy the investment property *outside* of his IRA. He then intended to put the property *into* his IRA.**

"new" and the "old" interpretation of the rule), only one of them was eligible for rollover. However, he went on to make matters worse. He used the money from his IRA distributions to buy the investment property *outside* of his IRA. He then intended to put the property *into* his IRA, completing what he thought would be a 60-day rollover.

60 days passed rather quickly, and at that time, neither Frank, nor his "crack" team of experts, realized that his investment property had not yet been placed into his IRA. To try and resolve his dilemma, Frank submitted a private letter ruling (PLR) request to the IRS, asking for an extension of the 60-day rollover period so he could eliminate the taxes on the IRA distributions.

In his request, Frank placed no blame at all on his financial advisor or other professionals, such as his CPA or lawyer. He did not claim that they had made a mistake or that they had given him bad advice. In fact, Frank represented that he, and not his professional advisors, had

### WHAT'S INSIDE?

#### Client's Team of "Professional Advisors" Fail to Prevent Failed Rollover... 3 Different Ways!

- Facts of the PLR
- The IRS Ruling
- "Same-Property" IRA Rollover Rules
- Professional Advisors Didn't Provide Much Advice
- Real Estate in an IRA Can Be Tricky
- Advisor Action Plan

- Pages 1-3

#### Couple's \$400K IRA Contributions Leads to 6% Excess Contribution Penalty

- Facts of the Case
- The Court's Ruling

- Pages 3-4

#### Retirement Account Provisions in President Obama's 2016 Fiscal Year Budget

- Pages 4-5

#### Guest IRA Expert

Michael J. Jones, CPA  
Thompson Jones LLP  
Monterey, CA  
A CRUT May Replace (Or Even Beat) A Stretch IRA

- Pages 5-7

#### PROVIDE BOOMERS FREEDOM FROM UNCLE SAM

Ed Slott and Company's Exclusive 2-Day IRA Workshop

### INSTANT IRA SUCCESS

PHILADELPHIA, PA • JULY 30-31, 2015

SEE PAGE 8 FOR SPECIAL SAVINGS

