



ED SLOTT'S IRA ADVISOR

© 2003 Ed Slott, CPA

November 2003

Tax & Estate Planning For Your Retirement Savings

New IRS Audits Target IRAs

-see page 5

"Let us endeavor so to live that when we come to die even the undertaker will be sorry."

- Mark Twain (1835-1910)

This Thanksgiving you should be thankful that you were not selected by IRS to be part of their Compliance Research Examinations. These are intensive tax audits. They have just begun and the IRS agents are checking IRA transactions. For the scoop on what IRS is looking at and how you can make sure that your IRA is not vulnerable to IRS scrutiny, see *"IRS is Checking Your IRA Withdrawals"* on page 5.

Is your IRA protected from creditors? In this month's feature article *"Keeping Your IRA Safe From Creditors"* you'll see whether or not your IRA or inherited IRA will be protected if you find yourself entangled in a lawsuit that could reach assets in your IRA.

This month's guest IRA expert is Marvin R. Rotenberg, National Director of Retirement Services for Fleet Private Clients Group. His article *"Stock or Bond Investments in a Retirement Account? A New Look at an Old Question"* will provide you with some new insights on how to invest in your retirement account in light of the recent tax law that lowered both capital gain and regular income tax rates.

The new lower tax rates will actually push more people into the Alternative Minimum Tax (AMT). Items such as Roth conversions, lump-sum distributions (except for 10-year averaging) and plain old required distributions can easily trigger the AMT, especially in high tax states such as California or New York. I would not avoid converting solely because of the AMT and of course RMDs cannot be avoided, but this would be a good time to see if these IRA transactions will trigger the AMT. This way you can at least try to lessen the pain by reversing your usual year-end tax planning.

You should look at accelerating income (since it will be taxed at a lower rate under AMT) and try pushing deductions such as state and local income taxes into the following year. The new tax law increased the AMT exemptions for 2003 and 2004.

Items such as Roth conversions, lump-sum distributions and plain old required distributions can easily trigger the AMT.



For more IRA information, visit our website at www.irahelp.com

Ed Slott, CPA
100 Merrick Road
Rockville Centre, NY 11570

- Ed Slott, CPA

WHAT'S INSIDE??

Feature Article:

Keeping Your IRA Safe From Creditors

- ▶ Types of Creditor Protection
- ▶ Creating IRA Creditor Protection
- ▶ Legislative Watch
- ▶ State Creditor Protection Planning
- ▶ Umbrella Liability Protection

- Pages 2-4

IRA Creditor Protection Resources

- Page 4

No Designated Beneficiary? IRA Payout is Limited to 15.3 Years

- Pages 4-5

IRS is Checking Your IRA Withdrawals

- ▶ New Intensive IRS Audits Target IRAs
- ▶ Double Check Your IRA Transactions Before Year-End

- Page 5

Guest IRA Expert

Marvin R. Rotenberg, National Director of Retirement Services

- ▶ Fleet Private Clients Group
- ▶ Stock or Bond Investments in a Retirement Account? A New Look at an Old Question

- Pages 6-8

**To order Ed Slott's IRA Advisor,
Call Toll Free, 1-800-663-1340**

Or Visit

<http://www.irahelp.com/order.shtml>