



ED SLOTT'S IRA ADVISOR

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Tax & Estate Planning For Your Retirement Savings

SPECIAL ISSUE SIMPLE Retirement Plans

"I've been on a calendar, but never on time."

— Marilyn Monroe (1926-1962)

The deadline for establishing a SIMPLE plan for 2003 is October 1, 2003. This is a good time then, to see if a SIMPLE retirement account is right for your business and employees.

The acronym "SIMPLE" which stands for Savings Incentive Match Plans for Employees was also created to show how easy this plan would be for small business owners to use. It's so SIMPLE we need to bring in a SIMPLE expert to explain it all to you and have dedicated almost an entire issue here to accomplish that.

Denise Appleby, CISP, CRPS is this month's guest IRA expert. She wrote the feature article "A SIMPLE Could be Your Plan of Choice" for this SIMPLE issue as well as the comprehensive SIMPLE, SEP and 401(k) comparison chart on pages 4 and 5. Denise has extensive experience as a retirement plan consultant and writer for one of the largest clearing firms in the financial services industry. You will find that Denise has truly simplified the

intricacies of SIMPLE retirement plans for us in this issue.

SIMPLE and SEP plans are IRAs and for the most part follow the IRA distribution rules. Thus the terms, "SIMPLE-IRA and SEP-IRA." But SIMPLE retirement accounts are not always IRAs. They can also be SIMPLE-401(k)s, although SIMPLE-401(k)s are rarely used by employers.

SIMPLE retirement accounts were created under the Small Business Job Protection Act of 1996, and first became effective on January 1, 1997 to replace the old SARSEP (Salary Reduction Simplified Employee Pension) plans. SARSEP plans that were in effect before 1997 are still permitted to continue, but no new SARSEPs could be created after 1996.

Establishing SIMPLE retirement accounts is not the only thing that must be done soon. See "Upcoming IRA Deadlines" on pages 7-8 for details.

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

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WHAT'S INSIDE??

Feature Article:

Guest IRA Expert
Denise Appleby, CISP, CRPS
A SIMPLE Could Be
Your Plan of Choice

- ▶ Two Kinds of SIMPLEs
- ▶ Why Should You Adopt a SIMPLE?
- ▶ Eligible Employers
- ▶ Eligible Employees
- ▶ SIMPLE Contributions
- ▶ Compensation Cap
- ▶ SIMPLE Housekeeping Rules

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SIMPLE, SEP and
401(k) Comparison Chart
By Denise Appleby,
CISP, CRPS

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Upcoming IRA Deadlines

- ▶ September 30, 2003 is the Designation Date (DD)
- ▶ Shake-Out Period (or Gap Period)
- ▶ Removing Beneficiaries
- ▶ Cashing Out
- ▶ Disclaiming
- ▶ What Can Be Done by DD?
- ▶ October 31 is Deadline for IRA Trusts

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