



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

State-by-State IRA Creditor Protection Guide

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“I’m so old, they’ve canceled my blood type.”

– Bob Hope, on his 100th birthday

Even though Bob Hope is 100 years old, the IRS still gives him 6.3 more years to withdraw his IRA. If he makes it to 115, he gets another 1.9 years, but IRS makes no guarantees!

Life expectancy is at issue once again in a new series of IRS Private Letter Rulings. That’s the focus of this month’s feature article *“New Hurdles for IRA Trusts.”* Many people who named trusts as their IRA beneficiaries may need to revise their plans by creating new trusts, splitting IRAs, changing beneficiaries or possibly eliminating the trusts as beneficiaries altogether.

In case you are wondering about it, the new tax cuts signed into law by President Bush on May 28, 2003 did not contain any IRA or pension provisions. However, the new 15% capital gains tax rate would apply to NUA (Net Unrealized Appreciation) on employer stock sold on or after May 6, 2003. The rate drops to 5% for those in the lower tax bracket.

Is your IRA creditor protected? That depends on your state law. But what if

you don’t know what your state law is? Now you can look it up easily, thanks to Stephan Leimberg who has posted such a list on his excellent online tax and estate planning service, LISI (Leimberg Information Services, Inc.) at www.leimbergservices.com. This is the most complete up-to date state-by-state listing of creditor protection for IRAs that I have seen. Read more about it on page 6.

Will your IRA prevent you from qualifying for Medicaid? That’s a question many older IRA owners are asking right now. This month’s guest IRA expert is renowned Elder Law and Medicaid attorney, Vincent J. Russo, J.D., LL.M. He is the Managing Shareholder of the law firm of Vincent J. Russo & Associates, P.C. of Westbury, Lido Beach and Islandia, New York. Vincent’s article *“Medicaid Protection for Your Retirement Accounts”* goes through the basics on how your IRAs and Roth IRAs are counted for Medicaid eligibility purposes.

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

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Your IRA Resource Center

- ▶ State-by-State IRA Creditor Protection Guide from LISI (Leimberg Information Services, Inc.) at www.leimbergservices.com

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Guest IRA Expert

Vincent J. Russo, J.D., LL.M.
Vincent J. Russo & Associates, P.C. of Westbury, Lido Beach and Islandia, New York

- ▶ Medicaid Protection for Your Retirement Accounts

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