



ED SLOTT'S IRA ADVISOR

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Tax & Estate Planning For Your Retirement Savings

"207 pages of largely inscrutable technical language ... densely worded and festooned with numeric references to disparate corners of the tax code."

– The Wall Street Journal (April 17, 2003), describing the Pension Preservation and Savings Expansion Act of 2003 introduced on April 11, 2003 by Representatives Rob Portman (R-Ohio) and Ben Cardin (D-Maryland)

The above quote may be true about the recently proposed legislation, but within the labyrinth of pension provisions are several golden nuggets for IRA owners, including eliminating IRA marriage penalties, non-spousal IRA rollovers, lifetime spousal rollovers, the ability to correct major IRA distribution mistakes and accelerating the increase in IRA and 401(k) contribution limits. We'll follow this legislation for you here in the newsletter and on our website.

What is it about IRA rollovers that cause such costly mistakes? Find out in this month's feature article "*IRA Rollover Mistakes*." You won't believe how badly some people can mess this up. Don't let this happen to you, otherwise you'll be reading about yourself in an upcoming issue!

72(t) Mensa Quiz

What is a reasonable interest rate? Is it 29%?? NO! Can you believe that someone took this case to Tax Court?

That's like asking Weight Watchers to rule on whether a bacon-cheeseburger and French fries are fattening. Our article "*Unbelievable 72(t) Tax Court Case*" is incredible but true.

This month's guest IRA expert is IRA legend Natalie B. Choate, Esq. author of the latest edition of the classic retirement distribution reference treatise "*Life and Death Planning for Retirement Benefits*" (Ataxplan Publications, 2003, 5th Edition - completely revised, \$89.95). If you are serious about having access to all the latest retirement distribution rules, it is critical that you buy this book. To

make it even easier for you to order it now, there is an order form on page 8. If you are a financial advisor, Natalie's book should be in your office at arm's length. That's where I keep my copy.

Natalie's article for this issue is "*Estate Planning for Retirement Benefits: In One Page*" and it covers every possible IRA estate planning option in one amazingly creative chart and footnotes.



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

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WHAT'S INSIDE??

Feature Article:

IRA Rollover Mistakes

- ▶ Improper Rollovers Cause IRA Distributions to be Taxable
- ▶ How Mr. Anderson Lost His IRA
 - Facts of the Case
 - The Court Battle Begins
 - My Opinion
 - What About 60-Day Relief?
- ▶ Another Costly Rollover Blunder
- ▶ Amended Return Cannot Extend the 60-Day Rollover Rule

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Unbelievable 72(t) Tax Court Case

- ▶ Is 29% a Reasonable Interest Rate?
- ▶ 72(t) Basics
- ▶ 29% is Too High
- ▶ 72(t) Payment Modifications
- ▶ What IS a Reasonable Interest Rate?
- ▶ How Did They Know?
- ▶ All the Way to Tax Court

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Guest IRA Expert

Natalie B. Choate, Esq.
Bingham McCutchen, LLP
Boston, MA

- ▶ Estate Planning for Retirement Benefits: In One Page

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