



ED SLOTT'S IRA ADVISOR

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March 2003

TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Tax Free Retirement for Everyone!

Maybe, maybe not.

The latest proposals from the White House are designed to phase out traditional IRAs, 401(k)s and other retirement accounts and replace them with new Lifetime Savings Accounts (LSAs), Retirement Savings Accounts (RSAs) and Employer Retirement Savings Accounts (ERSAs). The LSAs and RSAs would be for individuals and

would operate similar to Roth IRAs. You would receive no tax deduction for contributions but you can withdraw tax-free in retirement.

Under the proposal you would be able to contribute \$7,500 to these accounts each year. After 2003 no further contributions could be made to traditional IRAs and Roth IRAs.

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Is April 1, 2003 your Required Beginning Date?

If so, see "April IRA Basics" on pages 2-4 which shows you how to calculate your Required Minimum Distribution for the first year and future years. To make sure that you are using the correct table, the new (2002) Uniform Lifetime Table that most IRA owners will use to look up their life expectancy factor is reproduced for you on page 5. The article also guides you through the April IRA deadlines for contributions and distributions.

Can you reduce the estate tax on your IRA by using a value for estate tax purposes that is lower than the actual IRA account balance? This is called a valuation discount, and the answer is NO as far as an IRA or other retirement account is concerned. See why in "New IRS Ruling Kills IRA Estate Discount" on page 6.

This month's guest IRA expert is Mary Kay Foss, CPA, a partner in the firm of Marzluft, Giles, Tulis & Foss CPAs Inc. in Danville, California. Many of you know her from the discussion forum on our website. Mary Kay has helped hundreds of people on the site with all kinds of IRA questions. This month you'll benefit from her years of practical experience with IRA issues in her article "Practical Solutions to Common IRA Problems."

For more IRA information, visit our website at www.ira-help.com

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Guest IRA Expert:

Mary Kay Foss, CPA
Marzluft, Giles,
Tulis & Foss CPAs Inc.

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