



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Last Chance IRA Moves

(See page 5)

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

– Charles Darwin
(1809-1882)

2002 was a year of major changes in the world of IRAs, including the April 2002 Final Regulations, the new 72(t) rules and several groundbreaking rulings from IRS. But that may be just the beginning, as the taxation of retirement accounts begin to affect more and more retirees and beneficiaries.

In fact, right now there are several proposals in Congress that would overhaul the retirement distribution rules once again. One of them is to change the age at which mandatory distributions must begin from age 70^{1/2} to 75. Can you believe there is a chance that we may never see that 1/2 age ever again? Another proposal would exclude the first \$300,000 from the minimum distribution rules and allow non-spousal rollovers.

Together these proposals, if signed into law, would turn retirement accounts into estate planning vehicles for those who have large IRAs or do not need to

withdraw from their accounts because they have other funds to live on. Of course, in theory, the whole point of these proposals was to help those who need funds from these accounts to live on, so raising the age to 75 won't help retirees who need to withdraw before then.

It seems clear there will be even more IRA changes in 2003, and we'll keep you posted as we have for the past five years. As this year winds down, there are a few things you should look at. This month's feature article "Year-End Roth IRA Strategies" tip you off to some last minute opportunities available for Roth IRAs. There are also some IRA tax provisions that expire at the end of this year. Those are covered in "Last Chance IRA Moves" on page 5.



We wish you and your family a peaceful and happy holiday season!

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

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