



ED SLOTT'S IRA ADVISOR

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October 2002

TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

How Safe is Your 401(k)?

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"Mr. Watson, come here. I want you."

"Great discoveries and improvement invariably involve the cooperation of many minds."

– Alexander Graham Bell
(1847-1922)

The above quote is certainly true of a new IRS ruling. This month's feature article *"New IRS Ruling Allows Non-Spouse Plan Beneficiaries to Stretch Payouts"* tells you how the "cooperation of many minds" helped one very lucky family extend the life of an inherited retirement account. The new Private Letter Ruling (PLR) is the first to allow non-spouse beneficiaries of a terminated Keogh plan to stretch distributions over the life expectancy of the oldest beneficiary.

Several IRA experts who you know from this newsletter worked together with the IRS to craft this innovative ruling. The story began when a client of Las Vegas attorney Shannon Evans died with a Keogh plan that had over \$2 million in it. The beneficiary was not a spouse, so there was no rollover option. Most advisors would have stopped there since everything we knew (before this ruling) would have said that the entire account balance had to be withdrawn soon after death.

Shannon Evans was not about to accept this horrendous and unfair result for her clients, the beneficiaries. She contacted IRA expert Seymour Goldberg who negotiated this historic ruling with the IRS along with the help of Steven G. Lockwood, another attorney and IRA expert. Together, they made this ruling happen.

In last month's issue (September 2002, pages 5-6), we included another first of its kind ruling where a taxpayer was allowed an extension of time to recharacterize a valid Roth conversion. That ruling, released by IRS on August 23, 2002 is PLR 200234073. A similar ruling (PLR 200235033) was released on August 30, 2002.

The new PLR is the first to allow non-spouse beneficiaries of a terminated Keogh plan to stretch distributions

Is your retirement plan up to date? To find out what that means, see *"Is Your Plan Up to Date? ... Amending Your Plan"* on pages 6-8. There have been several tax law changes

and to make sure that you gain the benefits provided in the new laws and to keep your plan from being disqualified, the plan must be amended. Was yours?

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

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