



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Real Estate In Your IRA

(See pages 3-5)

"My accountant just went into business with General Motors. They make the cars, he's making the license plates."

– Milton Berle
(born, Mendel Berlinger) 1908-2002

Looking for a change? A change in your IRA investments, that is. Many IRA owners are unhappy (to put it mildly) watching their IRA values plummet on a daily basis and are looking for alternatives. There are rules however that may limit your choices. Our feature article *"Prohibited Transactions... What You Can't Do With Your IRA"* can be used as a guide to make sure that any investments you make with your IRA funds don't make matters worse. You may think that anything is better than the stock market these days, but there are restrictions on the assets your IRA can hold.

Following up on the alternative IRA investments theme, I have addressed one of the most common questions IRA owners are asking lately. Can you buy real estate in your IRA? Yes, you can, but first read *"Real Estate in Your IRA"* on page 3. You'll see the potential problems it may create for you, especially if you are close to 70^{1/2} years old or are already taking Required Minimum Distributions.

Our technical editor, Barry C. Picker, CPA/PFS, CFP has shared a first of its kind Private Letter Ruling with us on page 5 that has not yet been published. Barry obtained the first PLR allowing a late recharacterization of a Roth conversion for a taxpayer who had a legal conversion. All the other rulings (and there have been many) allowing extensions of time to recharacterize have been in situations where the conversion was invalid (because the taxpayer's income exceeded \$100,000).

Have you named a trust as your IRA beneficiary?

... there are restrictions on the assets your IRA can hold.

This month's guest IRA expert is IRA legend Seymour "Sy" Goldberg, CPA, MBA, JD, senior partner in the law firm of Goldberg & Goldberg, P.C., Garden City, New York. If you named a trust as your IRA beneficiary, you'll need to read Sy's article *"Avoid*

New IRA Trust Traps" to make sure your trust provisions conform with the latest rulings, regulations and various newly enacted state laws. Hint: Your trust probably doesn't!

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

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– Ed Slott, CPA

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Real Estate In Your IRA

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IRS Permits Late Recharacterization of a Valid Roth IRA Conversion

Barry C. Picker, CPA/PFS, CFP

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Guest IRA Expert:

Seymour Goldberg, CPA, MBA, JD
▶ Avoid New IRA Trust Traps

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