



# ED SLOTT'S IRA ADVISOR

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August 2001

## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### New Tax Law Rollover Chart

See Pages 4 and 5

*"The greatest waste of money is to keep it."*

— Jackie Gleason (1916-1987)

#### *It's a Regular Rollover Riot!*

Beginning in 2002, funds can be rolled between most company retirement plans and IRAs. This month's entire newsletter is our feature article "New Rollover Rules and Plan Portability Plays." It has all the details of the new plan portability and rollover rules, including the pros and cons of making these moves. All types of plan funds will be able to find their way into an IRA. That's good news for anyone with a retirement plan.

The new tax law, which has now become known as EGTRRA 2001 (Economic Growth and Tax Relief Reconciliation Act of 2001) contains a host of provisions that expand the company plan and IRA rollover rules and present opportunities that were never available before.

*Check out our centerfold!* Lots of rollovers. On pages 4 and 5 is a rollover chart along with planning considerations that show you all the possible rollovers between company plans and IRAs that are permitted under the new rules.

Special thanks to IRA maven Natalie Choate, Esq., for her valuable input with the rollover chart. Natalie is putting the finishing touches on the newest edition of her IRA masterpiece "Life and Death Planning for Retirement Benefits" (4th edition) To pre-order your copy, call (800) 247-6553.

#### *Section 457 Plan Participants Also Get New Tax Breaks*

Participants in governmental Section 457 plans will be especially pleased with the new rollover provisions. In fact, we have rarely discussed Section 457 plans in this newsletter because the plans were rigid and there was not much you could do with these plans other than follow the payout schedule that was dictated by the plan.

**All types of plan funds will be able to find their way into an IRA.**

The Section 457 plans are still inflexible, but beginning in 2002, you can roll over your 457 plan to an IRA and take advantage of all the new IRA rules. Financial planners will be courting 457 plan participants since they are now IRA rollover candidates.

For more IRA information, visit our website at [www.ira-help.com](http://www.ira-help.com).

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— Ed Slott, CPA

### WHAT'S INSIDE??

#### Feature Article:

##### New Rollover Rules and Plan Portability Plays

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- ▶ What's NOT an ERD
- ▶ Allowable Rollovers for IRAs
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- ▶ IRA Rollovers to Plans
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- ▶ Spouse Beneficiaries Can Also Roll to Plan
- ▶ New Section 457 Rollover Benefits
- ▶ IRAs Are a Better Place for Retirement Money

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#### New Rollover Chart

- ▶ Permitted Rollovers Under The New Tax Law
- ▶ Rollover Considerations and Restrictions

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