



# ED SLOTT'S IRA ADVISOR

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## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### We have a new tax law ... for now.

*"I don't know the secret to success. But the key to failure is trying to please everybody."*

— Bill Cosby

It's official. The sweeping tax relief bill that was rammed through Congress over a busy Memorial Day weekend, was signed into law by President Bush on June 7, 2001.

The new law will certainly make things interesting as it affects most every taxpayer in one way or another. Some of the biggest beneficiaries will be accountants, attorneys, financial planners, tax information publishers (including a certain IRA newsletter publisher) and anyone else who will be able to explain this massive tax tome to taxpayers. So much for tax simplification.

Tax law publisher CCH Inc. summed it up this way: *"The new law imposes a complicated array of unprecedented back-loaded (i.e., time-delayed) benefits, with varying effective dates that span 10 years."*

The new tax law is going to spawn a decade of neurotic taxpayers who will have to time every major life event in order to maximize the benefits... and that includes dropping dead at the

appropriate time. The biggest tax breaks are not effective until many years from now and may never materialize. But that doesn't mean that you still can't benefit from some provisions that go into effect as soon as next year.

If the idea of this tax bill was to jump start the economy, it won't work. Imagine being stuck on the road with your car and you need a jump start. How would you feel if your auto club said, "We'll be there in 2010"?

Switching gears a little, this month's guest IRA expert is David A. Foster, a financial advisor with Foster & Motley, Inc., in Cincinnati, Ohio. David's article, *"NUA Planning Pays Off"* shows you how to deal with your company when it comes to finding out about the Net Unrealized Appreciation (NUA) on company stock in your plan.

This month's issue also includes part 2 of a 2-part article on dealing with losses and plummeting IRA balances. Part one was featured in last month's issue. See *"Declining IRA Balances Bring New Tax Concerns (part 2)"* on page 4.

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

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— Ed Slott, CPA

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**The New Tax Law ... Will We Ever See These Cuts?**

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- ▶ Relief on the 60-Day Rollover Rule
- ▶ New "Deemed" IRAs

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**Declining IRA Balances Bring New Tax Concerns (part 2 of 2 parts)**

- ▶ RMD Benefit of Low Values
- ▶ Company Stock Net Unrealized Depreciation
- ▶ Wash Sales and IRAs
- ▶ Roth Recharacterizations
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#### Guest IRA Expert:

**David A. Foster, CPA, CFP**  
Foster & Motley, Inc.

- ▶ NUA Planning Pays Off
- ▶ Sample Letter to Request NUA Information

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breaks are not  
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