



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Distribution Tables For Inherited IRAs

See Pages 5 and 6

"I make a fortune from criticizing the policy of the government, then hand it over to the government in taxes to keep it going."

— George Bernard Shaw (1856-1950)

April 1st is still the Required Beginning Date (RBD). The new rules have not changed that. If you turned 70^{1/2} last year, your RBD is this April 1st. For those who get confused, if you were born between July 1, 1929 and June 30, 1930, your RBD is April 1, 2001. Actually since April 1, 2001 falls on a Sunday, this year the RBD is April 2, 2001. But don't wait until April 2nd. You don't want to risk a 50% penalty on a distribution that was a day late.

IRA Contribution Deadline

April 16, 2001 is the last day to contribute to a traditional or Roth IRA for 2000. Even if you file for an extension for your tax return, there is no extension for IRA contributions. SEP and Keogh contributions however can be made up to the extended due date for your tax return. A 2000 contribution for a SEP or Keogh can be made up to October 15, 2001 if you have filed for both a first and second extension.

This month's feature article "New Rules for Inherited IRAs" digs deeper

into the new Proposed Regulations and will help you understand how the new rules affect IRA beneficiaries. On pages 5 and 6 you'll see charts you can use to figure required distributions for inherited IRAs. On page 5 is the complete single life expectancy table. The table in IRS Publication 590 only begins at age 35. Now you have the full table so that if need to know the life expectancy of a 6 year old beneficiary, you won't have to dig out the IRS regulations. It's right here for you. On page 6 is another handy chart that will tell you when required distributions must begin for inherited IRAs.

This month's guest IRA expert is my friend and colleague Seymour "Sy"

April 16, 2001 is the last day to contribute to a traditional or Roth IRA for 2000.

Goldberg, Esq., CPA. He is a partner in the Garden City, New York law firm of Goldberg & Goldberg, P.C. and is a leading IRA expert. Sy is one of the pioneers of IRA distribution planning. His article "Back-Door Gifts

To IRA Trusts" discloses a potential gift tax problem that can occur when a trust is the beneficiary of your IRA and life insurance is used to pay the estate tax bill.

For more IRA information, to download or print out the full text of the new Proposed Regulations, or the new Uniform Distribution Table, visit our website at www.ira-help.com.

Ed Slott, CPA
100 Merrick Road
Rockville Centre, New York 11570

— Ed Slott, CPA

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Distribution Chart ...

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Guest IRA Expert:

Seymour Goldberg,
CPA, MBA, JD
Goldberg & Goldberg, P.C.
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