



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

IRA Rulings Update

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"I am proud to be paying taxes in the United States. The only thing is - I could be just as proud for half the money."

- Arthur Godfrey (1903-1983)
T.V. and Radio Personality

The declining stock market has prompted Roth IRA converters to ask for their money back. They want a do-over, or what the IRS calls a "Recharacterization." When they converted, the value of their traditional IRA was higher than it is now. A Recharacterization gives you an opportunity to send your converted funds back to a traditional IRA and remove the tax liability. That's the easy part. What about the tax reporting? That's another story.

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This month's feature article "*2000... The Year of the Roth Recharacterization*" may be a bit painful when you see what's involved in figuring out the Recharacterization amount for your 2000 tax return. Don't get too upset though, because you really don't want to be the only taxpayer who files a correct return. You'll be suspect if you get this right.

Washington Update:

Who will be influencing new tax legislation in the Bush Administration?

On December 20, 2000, President-elect George W. Bush named Paul O'Neill as Secretary of the Treasury. This prestigious appointment is well deserved, especially after his clutch hitting performance in the World Series. The Yankees will sure miss Paul O'Neill!

Replacing Senator Roth as the new Chairman of the Senate Finance Committee is Senator Charles Grassley (R-Iowa). Senator Grassley has said that he is for a full repeal of the estate tax, but has also said that he would consider a compromise "because any improvement in the estate tax is better than where we are today." No word yet as to new IRA provisions.

Getting Divorced?

What's going to happen to your retirement account when the dust settles? You may only have one chance to get it right. This month's guest IRA expert is Iva Hauck Girtman, MBA, CPA,

CFP, CDP, who specializes in divorce planning in Lakeland, Florida. Her article "*Splitting Retirement Plans in Divorce*," will help guide you through the process.

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

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Guest IRA Expert:

Iva Hauck Girtman, MBA, CPA, CFP, CDP (Certified Divorce Planner)

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