



# ED SLOTT'S IRA ADVISOR

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## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### IRA New Year's Resolutions

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*"The more he talked of his honor the faster we counted our spoons."*

– Ralph Waldo Emerson (1803-1882)

### Disenfranchised!

It's the law now. You must use this word in every spoken and published sentence. But it's the IRA owners who are being disenfranchised by being left in the dust of this political mess. All those wonderful IRA tax proposals have been pushed to the side because of chad, and "chad" doesn't even come up in spell check. Neither does "recharacterize." Let's hope our legislators don't forget about the IRA tax changes, especially the "fresh start" provision. We wouldn't need a recount to see how popular that would be.

Will you leave your IRA to the IRS? Actually, the question is, how much of your IRA will you leave to the IRS? This month's feature article *"How IRAs are Lost"* explains in detail exactly how 70-80% of your IRA can be lost to taxes. We see these percentages quoted all the time, but in this article, you'll see how the combination of estate and income taxes

can ravage an IRA. This should motivate you to take immediate action to protect your IRA.

How about making IRA resolutions this year? See our list of New Year's Resolutions for your IRA on page 4. In recent Private Letter Rulings, the IRS has been good to beneficiaries of IRA owners who planned ahead.

This month's guest IRA expert is Victor M. Finmann, an attorney in private practice in Mineola, New York. He just might be the first documented IRA distribution expert in the private sector. In 1988 Victor authored what may have been the first course manual on IRA distribution planning. I don't know of any treatise on the subject published earlier.

### How much of your IRA will you leave to the IRS?

Reading Victor's article *"Checking Up on Your IRA"* is a great way to start off the new year. Victor explains how to get your IRA in shape and keep it that way by establishing a paper trail that will allow for the creation of a long-term IRA payout.

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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#### Feature Article:

#### How IRAs Are Lost

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  - The IRD Deduction

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- ▶ Estate Liquidity Problems

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