



# ED SLOTT'S IRA ADVISOR

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March 2007

## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### Direct Deposit of a Tax Refund to an IRA 15 Things That Can Go Wrong

See pages 2-4.

*"If you don't know where you're going, you'll wind up somewhere else."*

*-Lawrence Peter "Yogi" Berra  
Born May 12, 1925*

Oh No! More clarifications from the IRS. On February 13, 2007, IRS released a clarification of IRS Notice 2007-7, which itself was a clarification of the non-spouse direct rollover provision of the Pension Protection Act of 2006. We covered IRS Notice 2007-7 in detail in last month's issue but now there's even more to know. Our story *"IRS Notice 2007-7 Update for Non-Spouse Plan Beneficiaries"* on page 4 has all the new details.

The new IRS clarification removes doubts on some parts of Notice 2007-7, but adds new challenges for the non-spouse plan beneficiaries. The clarification confirms that the company plan does not have to offer the direct rollover option. If the plan does offer the option, there are key rules for the non-spouse beneficiary to follow. Also, IRS confirms that the provisions will not work for pre-2006 deaths.

This month's feature article *"Direct Deposit of a Tax Refund to an IRA; 15*

*Things That Can Go Wrong"* is timely since it highlights a provision from the Pension Protection Act that is being put into practice right now as taxpayers file their 2006 returns. Advisors need to make sure that important details are checked and the right questions are asked, otherwise you could end up with angry clients. Our article will alert you to all you need to be aware of.

What if I missed a required minimum distribution (RMD)? I get that question almost every day from someone. This month's Guest IRA Expert is the brilliant IRA and estate planning wiz Mary Kay Foss, CPA, of Marzluft, Tulis & Foss CPAs in Danville, California. Mary Kay has years of practical tax and planning experience and shares that with us this month in her timely article *"RMD Shortfall?, Dealing With The 50% Penalty."*

### What if I missed a required minimum distribution?

I don't know of any advisor who has not had a client who missed an RMD. Mary Kay provides the guidance we need. Use the practice tips in this article to both correct and prevent future RMD problems.



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

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### Feature Article

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- IRA Contribution Basics
- How the Direct Deposit of a Refund Works
- 15 Potential Problems So What Could Go Wrong?
- What's the Answer? Use this Only for Current Year IRA Contributions
- The Benefit for Financial Advisors

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#### IRS Notice 2007-7 Update for Non-Spouse Plan Beneficiaries

- February 13, 2007 IRS Clarification of Notice 2007-7
- Background on the Non-Spouse Rollover Provision
- The "Special Rule" Trumps the General Rule
- No Relief for Pre-2006 Deaths
- Rollover and RMD Timing Rules
- Plans Don't have to Allow the Direct Rollover
- Do the IRA Rollover

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### Guest IRA Expert

Mary Kay Foss, CPA  
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Danville, California

#### RMD Shortfall? Dealing With The 50% Penalty

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