



# ED SLOTT'S IRA ADVISOR

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## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### Dealing with the Unrelated Business Income Tax (UBIT) in an IRA.

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*The Chinese use two brush strokes to write the word 'crisis'. One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger-but recognize the opportunity.*  
-John F. Kennedy (1917 – 1963)

It is likely that you know someone who has recently lost their job. This financial crisis has left massive layoffs in its wake, including employees with 20, 30 or more years on the job. Many of these employees have accumulated large 401(k) balances and they need advisors to help them minimize the taxes on these funds. One of the biggest retirement tax benefits is the tax break for net unrealized appreciation (NUA) when taking a qualifying lump-sum distribution. This is generally a once-in-a-lifetime tax break and advisors need to be able to make sure it is handled correctly, since there are no second chances when it comes to NUA.

In this month's feature article "*NUA - Now is the Time!*" we go through the entire NUA process, including the tim-

ing of the lump-sum distribution, which is critical. We show you how to identify which employees will qualify for the tax break, and that includes beneficiaries. There is also an NUA basics outline and advisor action plan so that you can get started right away. It is essential to start this process now, early in the year, so that it can be completed by year end.

This month's Guest IRA Expert is Eric Wikstrom, CPA, CFP® founder of Integrated Wealth Strategies, LLC, in Mercer Island, Washington. Eric's article "*Dealing with the Unrelated Business Income Tax (UBIT)*", tackles one of the tricky and mysterious areas of IRA investing. Many clients today have had it with the stock market and are looking to invest their IRA funds in devalued real estate, businesses and other non-traditional assets. But these investments could actually trigger a tax in an IRA or even in a Roth IRA that advisors should make clients aware of, to avoid nasty surprises

later on. Eric is a true expert in this area and we can learn plenty about this from him.



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

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#### Guest IRA Expert

Eric Wikstrom, CPA, CFP®  
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**Dealing With the Unrelated  
Business Income Tax (UBIT)**

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