



ED SLOTT'S IRA ADVISOR

© 2009 Ed Slott, CPA

November 2009

TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

“Even when laws have been written down, they ought not always to remain unaltered.”

-Aristotle

Last year required minimum distributions (RMDs) were suspended for 2009, but some people took them anyway because they didn't know about the tax law change. IRS has provided relief for some individuals by allowing them to roll unwanted required distributions back to IRAs, but they must act by November 30, 2009. Our feature article *“IRS Provides Relief for Unwanted 2009 RMDs”* will guide you through the details so you can share this timely information with your clients.

Once again, our guest IRA expert for this month is IRA maven Natalie Choate,

JD, Nutter McClennen & Fish LLP, Boston, MA. Natalie's article, *“How Executors Can Handle Retirement Assets,”* will take you through what an executor of an estate needs to know to handle these assets correctly, what actions to take and what pitfalls to avoid since there could be personal liability to the executor. Natalie has also recently released a 61-page special report, *“The Estate Administrator's Guide to Retirement Benefits.”* It can be downloaded for \$39.95 at www.ataxplan.com.



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

Ed Slott, CPA
100 Merrick Road, Suite 200E
Rockville Centre, NY 11570

IRS Provides Relief for Unwanted 2009 RMDs

The suspension of 2009 required minimum distributions (RMDs) from plans and IRAs was enacted as part of the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA) - signed into law on December 23, 2008. Although RMDs were waived for 2009, some people received RMDs anyway. For those who realized the situation within 60 days, the answer was to simply roll the funds back to an IRA or plan (providing they were eligible) and eliminate the tax bill. Unfortunately, many did not recognize this opportunity until it was too late and the 60 day window had closed. For them, despite not wanting to keep the distributions, it appeared there would be no

relief. But now new IRS guidance can help some taxpayers put back the unwanted RMDs.

IRS Notice 2009-82

On September 24, 2009 IRS released Notice 2009-82 which grants many IRA owners and plan participants an extension to roll over certain distributions. The Notice provides *retroactive* relief for many taxpayers.

In general, when a taxpayer receives a distribution from a qualified retirement account or an IRA, that distribution is eligible for rollover to another

WHAT'S INSIDE?

Feature Article

IRS Provides Relief for Unwanted 2009 RMDs

- IRS Notice 2009-82
- Who is Eligible for Relief?
- No Relief on the One-Rollover-Per-Year Rule for IRAs
- No Relief for Some Unwanted RMDs
- Working Around the One-Rollover-Per-Year Rule
- Company Plan Considerations
- How to Rollover the Funds
- Reasons to Rollover the RMDs
- Reasons Not to Rollover the RMDs
- Non-Spouse Beneficiaries Get Extra Year to Transfer Funds
- Advisor Action Plan

— Pages 1-5

Guest IRA Expert

**Natalie B. Choate, JD
Nutter McClennen & Fish
LLP**

Boston, MA

How Executors Can Handle Retirement Assets

— Pages 6-8