



ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

In this issue:

How IRA Beneficiaries Switch to the New Rules

*"I'm putting all my money in taxes
— the only thing sure to go up."*

— Henny Youngman (1906- 1998)

Now that you've had a taste of the new rules, it's time to see how they actually work. This month's feature article *"How IRA Beneficiaries Switch to the New Rules"* is the first of a 2-part article that takes you through the new procedures and calculations necessary to switch to the new rules. If you are an IRA beneficiary and inherited under the old rules, you may be able to extend the life of your inherited IRA by changing to the new rules (the April 2002 Final Regulations).

This issue includes more provisions from the Final Regulations that were not covered in the May 2002 issue. We simply did not have room to fit them all in. Find out about these additional items in *"More From The April 2002 Final Regulations"* on pages 5-6.

IRA guru Natalie Choate, Esq. of Bingham Dana, LLP, a Boston law firm,

is this month's guest IRA expert. Natalie is the author of *Life and Death Planning for Retirement Benefits*, (Ataxplan Publications, 2002, 4th edition - completely revised, \$89.95). This is the # 1 book consulted by professionals, myself included, on estate and distribution planning for retirement benefits.

Natalie has discovered unique opportunities in the Final Regulations that are only available (as the infomercials like to say) "if you act now." There are options that can be taken advantage of in 2002 and 2003, and then never again, as the Final Regulations truly become final. Natalie's article *"New Distribution Rules Create Short-Lived Tax Breaks"* highlights these few areas where the openings exist. For information on the Final Regulations see Natalie Choate's website at www.ataxplan.com.

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

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Feature Article:

How IRA Beneficiaries Switch to the New Rules (Part 1 of 2 Parts)

- ▶ Beneficiaries Using the 5-Year Rule
- ▶ No 50% Penalty on Catch-up Distributions
- ▶ Reducing the IRA Balance for Catch-up Distributions
- ▶ Computing the Catch-up Distributions
- ▶ Taking Credit for Prior Year Distributions

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More From the April 2002 Final Regulations

- ▶ Trustee-to-Trustee Transfers
- ▶ 403(b) Pre-87 Rule
- ▶ Required Distributions Begin at RBD
- ▶ Spousal Rollover
- ▶ Beneficiary Takes the Year of Death Distribution
- ▶ Trust as Part of the Estate

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Guest IRA Expert: Natalie B. Choate, Esq.

- Bingham Dana, LLP
- ▶ New Distribution Rules Create Short-Lived Tax Breaks

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Consumer's Guide to the Retirement Distribution Rules

by Seymour Goldberg and Ed Slott

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