



ED SLOTT'S IRA ADVISOR

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June 2008

TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Getting a Tax Stimulus Payment Out of an IRA

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I find television very educating. Every time somebody turns on the set, I go into the other room and read a book.

Groucho Marx (1890 – 1977)

Our public television special “*Stay Rich Forever & Ever with Ed Slott*” is a #1 hit! We have touched a financial nerve with millions of consumers who realize that they need to work with competent IRA advisors (like you!) to create a distribution plan for their retirement savings. As advisors, you should encourage your clients to watch the show when it airs in your area in June. See page 8 for additional details.

The “once-per-year” rollover rule means that IRA funds can only be rolled over once every 365 days. That may sound simple, but IRAs are being lost because either an advisor or a client does not know about the rule or because they don’t know exactly how the rule applies. Unfortunately there is no relief when the “once-per-year” rule is violated. The dis-

tribution is taxable and subject to the 10% early withdrawal penalty for those under age 59½. This month’s feature article “*Avoiding Once-per-Year IRA Rollover Disasters*” highlights two recent IRS rulings on the topic. We also show you how to avoid these problems when your clients move IRA funds.

This month’s Guest IRA Expert is tax genius Michael J. Jones, CPA, Thompson Jones LLP, Monterey, California. Mike’s article “*IRAs and Wash Sale Rules*” takes you behind the scenes on IRS Revenue Ruling 2008-5 which states that wash sale rules apply to IRAs. Loss deductions will not be permitted if identical stocks are purchased in an IRA within 30 days before or after the sale of the stock that produced the loss. In addition, there is no increase in basis when the stock is repurchased in an IRA. Don’t let your clients run the risk of not being able to deduct losses on stock sales because of the new ruling.



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

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STAY RICH FOREVER & EVER with Ed Slott is **#1!**
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Guest IRA Expert

Michael J. Jones, CPA
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