



# ED SLOTT'S IRA ADVISOR

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## Tax & Estate Planning For Your Retirement Savings

*"Rep. Rob Portman of (R) Ohio, an influential voice on tax policy, says flatly that the House won't pass those new savings accounts."*

— The Wall Street Journal,  
February 10, 2003

As of this writing there is still no definitive news on the status of the new retirement account proposals from President Bush, but based on the above quote and recent articles it seems that these new proposals, especially the Lifetime Savings Accounts (LSAs) may not see the light of day.

Some fear that the LSAs are so good that it might cause businesses to move away from maintaining retirement plans, and that could hurt workers who would not contribute on their own. But I still believe we'll see some form of LSAs as well as the other accounts proposed; the Retirement Savings Accounts (RSAs) and the Employer Retirement Savings Accounts (ERSAs), if not now then maybe later in the year. While the debate is in full force, I wanted you to know what the nation's leading IRA experts think about all this. In our feature article this month, *"What the IRA Experts Think of LSAs, RSAs and ERSAs"* you'll see several opinions on the new proposals as well as advice on what to do now.

Before you finish your 2002 taxes and send them off to Uncle Sam, take a

look at *"New IRA Items for Your 2002 Taxes"* on pages 4-5 to make sure that you did not miss any of the new IRA related tax breaks. There's a new MAGI (Modified Adjusted Gross Income) computation, for those of you who are taking advantage of the new tuition deduction. There is also a new tax credit for retirement contributions. A tax credit is much more valuable than a tax deduction, because it reduces the tax you pay dollar for dollar. The credit generally applies to lower income taxpayers, but you should still check to see if you qualify.

This month's guest IRA expert is David W. Polstra, CPA, CFP®, CIMA, PFS, Chariman of Polstra & Dardaman, LLC in Atlanta, Georgia. Dave has written extensively on taxation of IRAs and other retirement accounts. In his article *"IRA Trustee/Custodial Documents... More Important Than You*

*May Think!"* he guides you through key issues in the IRA custodial agreement you blindly sign without a care. The IRA agreement can make or break the long term plan for your IRA.

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

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**Guest IRA Expert:**

**David W. Polstra, CPA, CFP®, CIMA, PFS**  
Chairman, Polstra & Dardaman, LLC,  
Atlanta, Georgia

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