ED SLOTT'S IRA ADVISOR

April 2004

TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

ATTENTION ADVISORS:
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"Man is incapable of comprehending any argument that interferes with his revenue."
— René Descartes (1596–1650)

It appears that René Descartes had some early dealings with tax shelter promoters! Some things are just too good to be true, and the IRS is cracking down on most of them. In addition to its highly publicized attacks on all sorts of tax shelters, some of which involve Roth IRAs, the IRS released a slew of rulings regarding life insurance in qualified plans on Friday, February 13, 2004. These new rulings, already known as the *"Friday the 13th Regs,"* have sent shockwaves through the life insurance and pension administration industries and especially to promoters of dubious tax reduction strategies.

IRS Cracks Down on Abusive Insurance Plans

There is only one expert I know who can explain this all to you, and that is my friend and colleague Stephan R. Leimberg, Esq., chief executive of LISI (Leimberg Information Services, Inc.). A legend among advisors, Steve is the recognized national authority on this topic (and many others). So in this issue we highlight Steve as our Guest Expert, with his timely article *"IRS Crackdown on Life Insurance Abuses in Qualified Plans."*

If you are a financial advisor and have clients who have used the insurance strategies that the IRS is attacking, or if you are using any of these ploys in your own qualified retirement plan, you'll want to read every word of Steve Leimberg's advice and warnings. Undoubtedly we will hear plenty more on this topic, and we welcome any follow-up questions you may have.

For more IRA information, visit our Web site at *www.irahelp.com*.

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Coming next month: New rules on IRA trusts

The IRS released new trust rules that affect IRA trusts. Every advisor and IRA owner who has named a trust as their IRA beneficiary must know these new rules. Many IRA trusts may have to be redone! Read the full story in next month's issue.

WHAT'S INSIDE?