



# ED SLOTT'S IRA ADVISOR

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## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### IRS Says Qualified Plans Must Be Amended

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**Q:** "Why didn't Wall Street realize that Enron was a fraud?"

**A:** "Because Wall Street relies on 'stock analysts.' These are people who do research on companies and then, no matter what they find, even if the company has burned to the ground, enthusiastically recommend that investors buy the stock. They are just a bunch of cockeyed optimists, those stock analysts. When the Titanic was in its death throes, with the propellers sticking straight up into the air, there was a stock analyst clinging to a railing, asking people around him where he could buy a ticket for the return trip."

— Dave Barry, humorist

Tax time is here and that's when all the IRA questions hit. Sometimes you don't realize how many questions you have until you actually start doing your taxes. We've got you covered in this issue. This month's feature article "Your Tax Time IRA Questions Answered" addresses the most commonly asked IRA questions regarding tax preparation.

If you're looking at your taxes and

trying to decide if it would be best to contribute to a traditional IRA or a Roth IRA or somewhere in between, we have the perfect article for you. Read "Deductible IRA vs. Roth IRA" on page 5 written by our technical editor Barry C. Picker, CPA/PFS, CFP.

The worst IRA penalty of all is the 50% penalty for not taking a required distribution. There was a provision to lower that to 10% in the last tax bill, but that change never made it into the final act, so the penalty is still a gruesome 50%. But there is relief. This month's

### In this issue: Answers to your tax time IRA questions

guest IRA expert is Michael J. Jones, CPA, partner in the Monterey, California accounting firm Thompson Jones, LLP is here to help. His article "Getting Out of the Penalty Box" offers unique solutions and procedures to follow to reduce or eliminate the 50% penalty.

Remember in last month's issue, I predicted that this issue would contain the IRS Final Regulations on the retirement distribution rules? Well, as of this writing IRS has yet to release the Final Regulations. I'll refrain from making any more predictions!

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

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Monterey, CA

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