ED SLOTT'S IRA ADVISOR

March 2005

TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

NUA Tax Strategies You Need to Know

See pages 5-8

"There is no useful rule without an exception."
- Thomas Fuller (1654-1734), English physician and writer

In two recent Private Letter Rulings, IRS ruled that a plan participant could delay taking required minimum distributions (RMDs) on plan funds that were rolled over to another plan that qualified for the "still working" exception. This allowed RMDs to be delayed until the employee retired. But is this a good thing? See our feature article ***"Postponing Your Required Beginning Date."***

April 1, 2005 is the required beginning date for most IRA owners and plan participants who turned 70½ years old in 2004.

This month's Guest IRA Expert is Mark A. Cortazzo, CFP, Senior Partner of MACRO Consulting Group, in Parsippany, NJ. His article, ***"An Advisor's NUA Expertise Makes a Difference"***, highlights the intricacies and planning strategies available for dealing with Net Unrealized Appreciation in employer securities. If you have clients with company stock in their employer's plan, you need to know all the points NUA expert Mark Cortazzo makes here.

To withdraw from your IRA or plan penalty free before reaching age 59½ by using 72(t) payments, you must adhere to the strict tax rules. Otherwise the 10% early withdrawal penalty is applied retroactively. But what if you make an honest mistake? IRS recently ruled that it could be fixed and came to the rescue of a person who missed a required 72(t) distribution. IRS allowed the 72(t) payment to be made up in the following year. Go figure! See our story ***"IRS Allows a 72(t) Correction"*** on pages 4-5.

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

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