



ED SLOTT'S IRA ADVISOR

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Tax & Estate Planning For Your Retirement Savings

Your IRA Resource Center *See Page 5*

"The secret of success in life is for a man to be ready for his opportunity when it comes"

– Benjamin Disraeli (1804-1881)

You cannot buy life insurance with your IRA funds because Code Section 408(a)(3) of the tax law prohibits that. But wouldn't it be great if you could? Then you could pay the premiums from tax-deferred funds rather than first having to pay tax on the money and then buy the insurance with what's left after taxes. By using tax-deferred money, you increase your leverage dramatically which can reduce the cost of the insurance or let you purchase more insurance with less money.

Now you can use tax-deferred funds to buy life insurance, even if those funds came from your IRA. This month's feature article *"Life Insurance for Less... How to Buy Life Insurance with Tax-Deferred Money"* shows you how it's done and highlights a recent Department of Labor ruling that allows this.

This month's guest IRA expert once again is Michael J. Jones, CPA, a

Now you can use tax-deferred funds to buy life insurance, even if those funds came from your IRA.

Partner in the Monterey, California accounting firm Thompson Jones, LLP. Mike's article *"NUA Rollover Strategy May Bring Additional Tax Savings"* reveals a little-known tax move that can enhance the NUA (Net Unrealized Appreciation) tax advantage. We have written about the tax breaks you can receive when you take a lump sum distribution of employer stock that contains NUA, but there may be a way to benefit further when you roll part of that NUA stock to an IRA. This is a gray area, but it is worth a serious look based on several convincing but conflicting IRS Private Letter Rulings.

Also in this issue are details on where to find other useful IRA resources. This is a confusing and unforgiving area so it is important to find reliable sources of IRA

information. The resources listed here are those that I use myself and should be part of any serious IRA library.

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

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– Ed Slott, CPA

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Feature Article:

**Life Insurance for Less...
How to Buy Life Insurance
with Tax-Deferred Money**

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The Truth About IRAs

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Deemed IRAs Are Here

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Your IRA Resource Center

- ▶ New 72(t) Resource ... Bill Stecker, CPA
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Guest IRA Expert

Michael J. Jones, CPA
Thompson Jones LLP
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