



ED SLOTT'S IRA ADVISOR

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November 2006

Tax & Estate Planning For Your Retirement Savings

NUA & 72(t) Horror Stories

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Thanksgiving dinners take eighteen hours to prepare. They are consumed in twelve minutes. Half-times take twelve minutes. This is not coincidence.

-Erma Bombeck 1927 - 1996

As a financial advisor, this is your last chance for a final look before the books close on the year. Most retirement account distributions are based on a calendar year schedule and the year should not end without at least one final check-up. This applies not only to IRA owners but also to beneficiaries who may be subject to required minimum distributions.

In our feature article "*Year-End IRA Check-Up and Planning Guide*" we identify all the possible items that can go wrong and remind you to give all IRAs one more look before the year ends. One thing about IRA and plan distribution mistakes, eventually they are all found out through the massive amount of IRS tax reporting and matching of transactions. The most common mistake is a missed required minimum distribution. That's a 50% penalty on the amount that should have been withdrawn. The check-up

gives you one last chance to make sure that all IRA and retirement plan distributions were done properly.

Following up before year-end on IRA and retirement plan distributions made during the year can save you a bunch of headaches, not only avoiding client horror stories but also years of paperwork, letter writing, complaining and begging, none of which are productive activities. I know because I receive daily emails from people trying to find out how to correct mistakes when it's too late or complaints about financial advisors or banks or brokers who did not follow instructions and caused expensive distribution mistakes.

**Following up
before year-end
on IRA and
retirement plan
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Competent IRA Advisors Needed Now!

On pages 6-8 we highlight actual NUA and 72(t) horror stories from several recent IRS rulings. In each case taxpayers suffered major losses of their retirement savings and inherited accounts. Don't let this happen on your watch.

For more IRA information, visit our website at www.ira-help.com.

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