

Ed Slott and Company's  
**IRA Updates**

YOUR MONTHLY RESOURCE FOR TRENDING IRA NEWS



*"We created IRA Updates to keep financial professionals and consumers informed on constantly changing IRA tax rules. Our goal is to keep followers up to date on key issues that may impact their lives and life savings." - Ed Slott, CPA*

THIS MONTH'S FEATURED ARTICLE

## What's the Process When a Trust (Or Estate) Is IRA Beneficiary?

*By Andy Ives, CFP®, AIF®*  
IRA Analyst





The same conversation has, understandably, been repeated many times. The questions are similar: “What do we do when a trust (or estate) is IRA beneficiary? How do we set up the account? Aren’t we now stuck with the high trust tax rates?” Of course, there is not enough space here to get deep into the weeds, but there are some foundational considerations to cover when it comes to this confusing topic.

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## WHAT'S TRENDING THIS MONTH

[Tax Time Tips for IRAs](#)

[Two Cautions When Doing a Backdoor Roth Conversion](#)

[What Are the Rules for 401\(k\) In-Service Withdrawals?](#)

[How SECURE 2.0 Impacts Company Plan In-Service Withdrawals](#)

[What is Retirement? Fantasy vs. Reality](#)

[Are 529-to-Roth IRA Rollovers Subject to State Tax?](#)

[Making a 2023 IRA Contribution? Here are 4 Rules That May Surprise You](#)

# SLOTT REPORT M A I L B A G

**Q:** I have Coverdell ESA accounts for my 5 grandchildren. My question is whether Coverdell ESAs can be treated the same as 529 plans under the new law when it comes to unused funds being eligible for rollover to a Roth IRA.

[Answer](#)

**Q:** I have a client who is under age 59 ½ with a small traditional IRA. She wants to cash it in and use the funds for college education for her daughter. If I remember correctly, they can use this without a 10% penalty. Is there a limit on the amount she can take penalty-free to use for college?

[Answer](#)

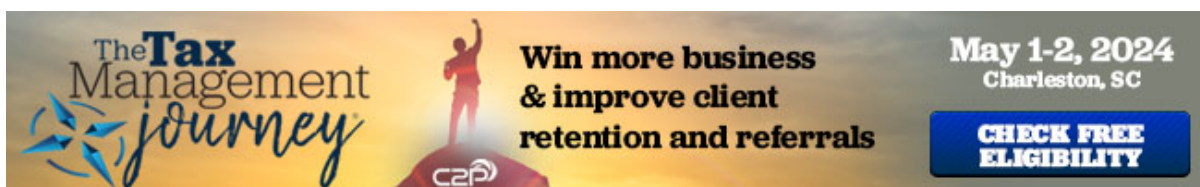
**Q:** I know you can delay taking your first required minimum distribution (RMD) until April 1 of the year after you turn age 73. If you convert your entire IRA into a Roth before that date, but after you turn age 73, do you still have to take your first RMD distribution? Or is no distribution required as the entire IRA is converted prior to April 1 of the following year?

[Answer](#)

## Have a question for America's IRA Experts?

Email your questions to us at [mailbag@irahelp.com](mailto:mailbag@irahelp.com). Selected questions will be featured every Thursday in the Slott Report.

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[ThinkAdvisor: 7 RMD, IRA and Estate Planning Points for 2024](#)

[Morningstar: Be Aware of These New Rules for Inherited IRAs](#)

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- The expansion of qualified charitable distribution (QCD) rules
- Navigating new RMD penalty relief options
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