Senior Moments

Newsletter
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Voelz, Reed, & Mount, LLC

knowledge-experience-solutions

Who Is On Your Team?

Do you have an accountant to help you with tax issues? Do you have a financial advisor to assist you with your investments? Do you have an estate planning attorney to ensure that your assets will transfer in the way that you choose after your death? Do each of them know each other?

If you currently work with advisors who do not communicate with one another, you could be missing financial opportunities that could benefit you and your family. There are advantages to building a team of advisors who can work with you and with each other in a comprehensive way to help you maximize your opportunities and minimize your tax consequences.

Most professional advisors will be happy to meet with you and the rest of your team together to ensure that you are in the best possible position in all financial respects.

Our website has free planning forms, articles, and information about our law firm.

www.voelzlaw.com

Our office hours are
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Our mission is to provide the highest quality legal services in a timely, professional, caring, and ethical manner.

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Potential Changes Coming Regarding Inherited IRAs

Bills are currently pending in Congress that, if adopted, would broadly eliminate the ability to "stretch" traditional IRAs after the death of the owner.

Historically, an adult child who was a named beneficiary of an IRA could delay paying income tax on distributions from the IRA by delaying or stretching out the distributions. If the current bills are adopted, then an adult child would only be able to stretch distributions over a period of ten years, forcing such child to pay income tax in a significantly condensed period of time. Surviving spouses, minor children, and disabled children would continue to be able to stretch distributions. The pending bills would also set the age for required minimum distributions at 72 instead of 70 1/2, which is the current age of required distribution.

Experts in this area feel strongly that some form of the pending bills will pass. If so, these changes would not take place until next year. If you have traditional IRAs, pay attention to these changes and be prepared to review your estate plan and explore ways to minimize taxation.

How Can I Avoid Paying Taxes on Distributions From My IRA?

Supporting your favorite charity with distributions from your IRA has always been a great way to save tax dollars. The passing of the current pending bills would increase the incentive for benefitting charities with IRAs after the death of the owner. Charities do not pay income tax. Naming a charity as the beneficiary of an IRA allows money in the IRA to pass to the charitable beneficiary tax free. Using your required minimum distribution can also be a great way to benefit a charity and save tax dollars. You should discuss how to minimize tax consequences and increase charitable giving with your estate planning attorney and other professional advisors to ensure that you are getting the most benefit from your retirement accounts.