

## IRA Distribution Rules

**Description:** According to a recent report by the Treasury, the IRS is to address growing noncompliance involving IRA excess contributions and violations of the required minimum distribution rules.

The potential liability for taxpayers who violate the retirement account rules is significant. Clients and their heirs who are unaware of the rules and improperly handle IRA accounts can trigger IRS examinations and may incur significant tax and IRS penalties.

In this book you will learn about IRA distribution rules and recent developments, as well as:

- 50% IRS penalty issues
- 10% early distribution penalty issues
- An important IRA distribution tax trap
- Roth IRA issues
- Common errors in retirement distribution planning
- How the spousal IRA rules work
- Statute of limitation issues involving IRA penalties
- Excess contribution issues
- Improper rollover issues
- Circular 230 issues
- IRS examinations
- And much more

This book includes a series of sample letters covering various client IRA scenarios that you can use in your practice right away, including letters for:

- A traditional IRA, where the owner is survived by multiple nonspouse beneficiaries.
- A Roth IRA, where the owner is survived by multiple nonspouse beneficiaries.
- Considerations in titling of the IRA account after death.
- A surviving spouse and spousal rollover issues.
- An existing estate plan with non-probate assets, including IRAs.

**Contents:** Part 1: Overview of Individual Retirement Account Distribution Rules

Introduction

Lifetime Rules in General

Death of IRA Owner Before the Required Beginning Date

Determination Date of Designated Beneficiary

- - 50 Percent IRS Penalty Issues

- - 10 Percent Early Distribution Penalty Issues

Roth IRA Issues

Titling of Inherited IRA Account

Multiple IRAs

Be Aware of an Important IRA Distribution "Tax Trap"

Death of IRA Owner On or After the Required Beginning Date

Multiple Beneficiaries of IRAs and the Separate Account Rule

Trust as IRA Beneficiary

- Death of IRA Owner on or After the Required Beginning Date Without a Designated Beneficiary

- Death of IRA Owner on or After the Required Beginning Date With a Nonspouse Designated Beneficiary

Part 2: Excess Contributions and Other Technical Issues

Disclaimer Issues

- Direct Transfer Rules

- Excess Contributions

- Excess Contributions Withdrawn After Due Date of Return
- Excess Contribution Deducted in an Earlier Year
- Excess Due to Incorrect Rollover Information
- Disqualified Plan Issues
- Spousal IRA Issues (Death of IRA Owner On or After the Required Beginning Date)
- Additional Spousal Beneficiary Rules (Death of IRA Owner Before the Required Beginning Date)
- Nondeductible Contributions
- Rollover Issues
- Rollovers
- Roth IRAs and Conversions
- Roth IRAs and Recharacterization
- Application of the Roth IRA Distribution Rules
- Legal Issues Involving Roth IRAs
- Statute of Limitation Issues Involving IRA Penalties
- Addition to The Tax

## Part 3: Employee Plans Examination Projects-IRS Audits of Small Plans

EP Exam Projects-Learn, Educate, Self-Correct & Enforce (LESE) Projects-Project ---1-Results of Exams of Form 5500 DC Plans w/<\$250,000 in Assets

- Overview
- Project Results
- Avoiding the Error
- EP Examination Projects-Learn, Educate, Self-Correct and Enforce (LESE) Projects-LESE Project ---2-Small Plans and Participant Loans
- Overview
- Project Results/Findings
- Avoiding the Error
- EP Exam Projects-LESE Projects-Project ---17-Results of Examinations of Plans with Self-Employed Individuals
- Overview
- Project Results/Findings
- Allocation Errors
- Minimum Funding
- Late or Non-Amenders
- Trust Assets Title Failure
- Top-Heavy (IRC §416) Violation
- Minimum Distribution (IRC §401(a)(9)) Failure
- IRC §401(k) Safe Harbor Notice Failure
- Vesting Error
- Directed Investments Error
- ADP Testing Errors
- Deduction Adjustment Due to Late Contribution
- Excess Deduction
- Avoiding the Error
- Correcting Plan Errors
- IRS Actions Involving Individual Retirement Accounts

## Appendix A

Table I: Single Life Table

- Table II: Uniform Lifetime Table

- IRS Pronouncements

- IRS Rules and Disclaimers

- Tax Court Case Involving IRA basis adjustment

Alpern v. Commissioner, T.C. Memo 2000-246, filed August 8, 2000 Tax Court Case Involving Spousal Rollovers and IRS Penalties

Gee v. Commissioner of Internal Revenue, 127 T.C. No. 1, (U.S. Tax Ct., 2006)

- Tax Court Case Involving Failure to File Form 5329 for Excess Contributions

Made to Roth IRAs

Paschall v. Commissioner of Internal Revenue, 137 T.C. No. 2, (U.S. Tax Ct. 2011)

- Tax Court Case Involving a Disqualified Plan

Christy & Swan Profit Sharing Plan, Petitioner v. Commissioner, T.C. Memo 2011-62

- United States Tax Court, March 15, 2011

## Appendix B

### Sample Letters to Clients Involving Retirement Distribution Planning

- Estate Planning Letter Involving an IRA Owner of a Traditional IRA Who Died Survived by Multiple Nonspouse Beneficiaries
- Continuation of Estate Planning Letter Involving an IRA Owner of a Traditional IRA Who Died and Is Survived by Multiple Nonspouse Beneficiaries
- Estate Planning Letter to Trustee Regarding the Timely IRS Trust Documentation Requirements and Titling of the Deceased IRA Owner's Account After the IRA Owner's Death When an IRA Trust Is the Beneficiary
- Letter from the IRA Trustee to the IRA Institution Together with the IRA Trust Regarding the Timely Satisfaction of the IRS Post-Death Trust Documentation Requirements
- Estate Planning Letter from the Trustee to the IRA Institution Regarding Post-Death Required Minimum Distribution Payouts to an IRA Trust
- Letter to Client's Surviving Spouse Regarding Spousal Rollover Issues After the Death of the Deceased Spouse Who Was the IRA Owner
- Important General Comments Regarding Unpaid Required Minimum Distributions for the Year of Death of the IRA Owner Under the IRS Rules
- Letter to Client Regarding His Existing Estate Plan When Dealing with Nonprobate Assets Including IRAs

## Appendix C

### Comments from Author on Progress on Clarifying IRS Publication 590

- Special Report on IRA Compliance Issues
- Some Key Points from IRS Publication 590 (2013)
- Application of One-Per-Year Limit on IRA Rollovers, Announcement 2014-15

## Ordering:

Order Online - <http://www.researchandmarkets.com/reports/3492797/>

Order by Fax - using the form below

Order by Post - print the order form below and send to

Research and Markets,  
Guinness Centre,  
Taylors Lane,  
Dublin 8,  
Ireland.

---

## Fax Order Form

To place an order via fax simply print this form, fill in the information below and fax the completed form to 646-607-1907 (from USA) or +353-1-481-1716 (from Rest of World). If you have any questions please visit

<http://www.researchandmarkets.com/contact/>

## Order Information

Please verify that the product information is correct.

Product Name: IRA Distribution Rules  
Web Address: <http://www.researchandmarkets.com/reports/3492797/>  
Office Code: SCVUO75J

## Product Format

Please select the product format and quantity you require:

E-Book (PDF) - Single User:  **Quantity** USD 62

## Contact Information

Please enter all the information below in **BLOCK CAPITALS**

Title: Mr  Mrs  Dr  Miss  Ms  Prof

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Email Address: \* \_\_\_\_\_

Job Title: \_\_\_\_\_

Organisation: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Postal / Zip Code: \_\_\_\_\_

Country: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

\* Please refrain from using free email accounts when ordering (e.g. Yahoo, Hotmail, AOL)

**Payment Information**

Please indicate the payment method you would like to use by selecting the appropriate box.

Pay by credit card: You will receive an email with a link to a secure webpage to enter your credit card details.

Pay by check: Please post the check, accompanied by this form, to:  
Research and Markets,  
Guinness Center,  
Taylors Lane,  
Dublin 8,  
Ireland.

Pay by wire transfer: Please transfer funds to:

Account number	833 130 83
Sort code	98-53-30
Swift code	ULSBIE2D
IBAN number	IE78ULSB98533083313083
Bank Address	Ulster Bank, 27-35 Main Street, Blackrock, Co. Dublin, Ireland.

If you have a Marketing Code please enter it below:

Marketing Code: \_\_\_\_\_

Please note that by ordering from Research and Markets you are agreeing to our Terms and Conditions at <http://www.researchandmarkets.com/info/terms.asp>

**Please fax this form to:**  
**(646) 607-1907 or (646) 964-6609 - From USA**  
**+353-1-481-1716 or +353-1-653-1571 - From Rest of World**