Special Report
<u>**Retirement Puzzle Piece #3**</u>

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Hello! My name is Steve Geist, I'm a Financial Strategist and I specialize in Safe Retirement Plan Solutions that are tailored with care. More specifically, I help my clients tackle complicated retirement issues and guide them towards easy-to-understand solutions designed to safely preserve and grow their retirement wealth. Now, more than ever, people over the age of 50 are clamoring for education and advice regarding their retirement.

One way I like to teach my clients and my seminar students about Retirement is to present it as a Puzzle. And, I like to present the puzzle as containing five primary pieces. And they are:

- ✓ Puzzle Piece #1: Preserving and Safeguarding Your Accumulated Assets
- ✓ Puzzle Piece #2: Setting up a Lifetime of Guaranteed Income
- ✓ Puzzle Piece #3: Addressing Taxes in Retirement and Beyond
- ✓ Puzzle Piece #4: Having Proper Coverage for Health Care and Long Term Care
- ✓ Puzzle Piece #5: Leaving a Legacy for your Loved Ones

So in this Special Report let's address some very important points of Puzzle Piece #3: Taxes in Retirement and Beyond.

First, Some Points to Ponder:

1. During the past 100 years the <u>top</u> U.S. marginal tax rate has ranged from below 10% to more than 90%. Today, thanks to Congressional action in 2010, the top tax rate will remain at 35% for 2012. Without this congressional action, the Bush Era tax cuts would have expired at the end of 2010 and the top tax rate for 2011 and beyond would have been 39.6%.
2. The Federal Budget Deficit for fiscal year 2011 was $1.3 trillion which has been added to the National Debt which now stands at almost $16 trillion.
3. 78 million baby boomers are now reaching retirement age and thus placing an ever increasing burden on the Federal Entitlement Programs of Medicaid, Social Security and Medicare.

<u>Do You think taxes will be going up or down?</u> Well, don't form your opinion just yet. Keep reading.

<u>**Three Aspects of America's Finances**</u>
Let's first talk about the Federal Government's <u>Annual Fiscal Deficit</u>. Remember, a deficit means expenses exceed revenues and remember each annual deficit is added to the National Debt which I'll get to next.

And so the 2011 Federal Fiscal Deficit ending 9/30/11 was $1.3 trillion. And the Federal Deficit for fiscal year 2012 is expected to be another $1.3 trillion.

So, to grasp how big federal deficits are, lets try to understand the enormity of the word <u>Trillion</u>
What is a Trillion?
One Billion is a thousand million; One Trillion is a thousand billion.
Try this analogy:
One Million seconds equals 12 days; One Trillion seconds is more than 30,000 years! OR
One Million dollars is a stack of $1,000 bills four inches high.
One Trillion dollars is a stack of $1,000 bills 67 miles high!

Next Item regarding the State of America's Finances: The National Debt, which, as of July 1st 2012, is a staggering $15.8 Trillion

As the U.S. government spends an unprecedented amount of money to fix the economy, there is an equally great need to raise the cash to pay for it. One way this is accomplished, other than from taxes or printing dollars, is through borrowing.

Borrowing is the process whereby Uncle Sam sells Treasuries of varying maturity's and interest rates. The Federal government has been partially funding its operations via the sale of Treasuries for decades.

This borrowing adds to the national debt, which, as I said a moment ago, is approaching $16 trillion.
Much of our National debt is held by the private sector, but about 40% is held by public entities, including parts of the government.

Here's a revealing breakdown of the United States' top ten creditors:

1. Federal Reserve & other Federal funds: Holds $6.3 trillion of US debt. The Fed's system of banks owns approximately $1.65 trillion while other U.S. governmental funds such as the Medicare Trust Fund and the Social Security Trust Fund - hold the rest.
2. China: holds $1.1 trillion of US Debt
3. Other Investors/Savings Bonds: Holds $1.1 trillion of US Debt. This diverse group includes individuals, brokers and dealers, personal trusts, estates, and savings bonds.
4. Japan: Holds $1 trillion of US Debt
5. Pension Funds: Hold $842 billion of US Debt
6. Wall Street Mutual Funds: hold $653 billion
7. State and Local Governments: hold $484 billion
8. The United Kingdom: holds $429 billion of US Debt
9. Depository Institutions such as commercial banks, savings banks and credit unions hold $284 billion
10. Insurance Companies: hold $250 billion of US Debt

When it comes to our National Debt, many so-called experts and politicians believe we have no real debt ceiling. Their reasoning: We are the U.S. and we would never need to declare bankruptcy because our dollar is the world's reserve currency and we have the ability borrow at great rates and to print dollars endlessly.

Many Americans have no idea that the U.S. dollar is just one of many reserve currencies that have existed throughout global history. Guess what happened to the reserve currencies that came before the U.S. dollar like the British Pound Sterling. You'd be correct if you guessed that they lost their world standing due to abuse and reckless currency manipulation. Just like what we are experiencing within the Federal Government today.

In recent years there's been a lot of talk about the U.S. dollar being replaced as the world's reserve currency:

- There are frequent reports that China, our number 2 Creditor, has or is planning to sell billions of dollars in US Treasury Bills.
- In June 2010, the United Nations released a report calling for abandoning the U.S. dollar as the main global reserve currency, saying it has been unable to safeguard value.
- China and Russia have said that they would renounce the US dollar and resort to using their own currencies for bilateral trade.
- In February 2011 the International Monetary Fund issued a report on a possible replacement for the dollar as the world's reserve currency, saying that so-called Special Drawing Rights could better help stabilize the global financial system.

The point is, an appropriate long-term fix to our country's debt crisis does not yet exist. Washington argues over $10–$30 billion budget cuts while we are racking up trillion dollar annual deficits.

<u>SPECIAL REPORT TIMEOUT</u>

In case you belong to a group, club, church, association or any type of organization that invites outside speakers to give interesting talks – please know that as a community service, I would be delighted to speak at your next group meeting. And I would speak on a topic that would be both informative and relevant to Retirement. Just call my office and let me know how I might be of service.

<u>Final Aspect of America's Finances</u>

Current Federal Unfunded Liabilities: (that is: Entitlement Programs where the Federal Government has an obligation to pay and no idea where the money will come from). Three Examples:

Medicare Unfunded Liabilities:	$83 Trillion
Social Security Unfunded Liabilities:	$16 Trillion
Prescription Drug Unfunded Liabilities:	$21 Trillion
Total Federal Unfunded Liabilities:	**$120 Trillion**

And think about 78 million baby boomers now reaching retirement age and qualifying for these government entitlement programs. Starting in January of 2011, 10,000 baby boomers/day began to turn age 65 and that will continue for the next 20 years!

Where is all the money going to come from to support these programs?

Well, unfortunately one primary answer: Taxes.

<u>Taxes in Our Future</u>

Years ago many financial professionals advised clients that their average tax rates will go down in the future, specifically during retirement. Now, however, almost every economic expert agrees that tax rates will most likely be higher - perhaps significantly - one decade from now.

Around the halls of Congress, they're calling it "The Cliff." Or "The Trainwreck."

Between Election Day, Nov. 6th, and New Year's Eve, a lame-duck Congress and a president who could be a lame-duck himself will confront many debt and tax issues including the following:

1. The expiration of the Bush Era tax cuts.
2. The expiration of tax breaks granted in the 2009 economic stimulus package.
3. The end of the payroll tax holiday.
4. The end of extended unemployment benefits.
5. The beginning of "The Sequester," an automatic cut of $1.2 trillion in spending over 10 years, split evenly between defense and domestic programs.
6. And, finally, the debt ceiling will need to be raised again by year's end, so that the nation doesn't default on its sovereign debt.

This monumental list of problems would challenge the most capable of Congresses. Assuming the dysfunctional 112th Congress can address it in two months is unrealistic. So everyone's waiting for the election.
A deal, however, must be reached, regardless of who wins. Without a deal, nearly everyone in America will see a tax increase.

The bipartisan Committee for a Responsible Federal Budget estimates that without a deal -- if everything falls off the cliff at the end of 2012 -- it would cost the economy $1 trillion in 2013 and 2014. Growth would stop and the economy could fall back into another recession.

So let me expand, in more detail, on the expiration of the Bush Era Tax Cuts. If Congress does not act to change it before the end of 2012, starting in 2013 we will revert back to the tax rates we had in 2001 prior to tax cuts.

Here's the breakdown

Current Rates (6 brackets)	Old Rates we will revert to (5 brackets)
10%	15%
15%	28%
25%	31%
28%	36%
33% & 35%	39.6%

Capital gains tax rates will also be affected. Currently, those in the 10% and 15% tax brackets pay no tax on long-term capital gains (up to certain limit). Everyone else in higher tax brackets currently pays 15%. Starting in 2013, if you are in the lowest bracket of 15%, you will pay 15% on long-term capital gains as well. And everyone else in higher tax brackets will pay 20%.

The bottom line - Congress can institute a significant tax increase simply by doing nothing and letting the Bush Era Tax Cuts expire at the end of 2012.

Your Personal Tax Plan

For you personally Tax Changes of any kind means that you must ask yourself
What is my overall tax plan and When should I make changes? How do I know what changes to make and Who is going to help me?

My Recommendation: Always be pro-active in your tax planning with the following suggestions

1. Review your Tax Return every year. Look for tax saving opportunities
2. Efficiently Tax Plan for 2012 and pay attention to the expiration of the Bush Tax Cuts starting in 2013.
3. Take advantage of Tax-Free and Tax-Deferred Growth Vehicles
4. Minimize Reported Income and thereby possibly minimize or eliminate tax on Social Security Income
5. Learn how to Generate Tax Free and/or Tax Favored Income
6. Consider a Roth Conversion… something I'll recap in a moment
7. Look for warning signs that your qualified retirement plans such as your 401(k) or IRA may be broken.

Tax Qualified Plans

According to a new study by Investment Company Research: 71% of U.S. households have some sort of tax-deferred retirement plan. So this study suggests that it's quite likely that you have saved money for retirement in a traditional IRA or in an employer-sponsored plan such as a 401(k), 403(b), 457 plan, or some other retirement account that defers taxes.

Over time, it's natural for you to want and expect your retirement savings to grow. But as your savings in these types of qualified plans grow, so does the associated tax burden. That's because taxes on that money is deferred, not eliminated.

And who pays these taxes? You will, when you take withdrawals -- and your beneficiaries will, when they receive the balance that remains at your death. In simple terms: As your balance grows, so do the deferred taxes.

But what most people really want is for their savings to grow and the associated tax burden to not grow.
So, how do you grow your retirement savings while not growing the deferred tax burden? One tax-efficient answer is by doing a Roth IRA conversion today.

Roth Conversion
A Roth IRA conversion is one of the simplest, best planning tools available, especially if you want to leave retirement assets to family or friends.

A Roth conversion basically entails paying taxes on your accumulated IRA or 401k balance now, thereby stopping the tax burden from continuing to grow. That's because once the money is in a Roth IRA, you will owe no taxes on any future growth of the Roth.

Also, With a Roth, you avoid the requirement that you have with regular IRA's and 401ks. And that is that you must take yearly minimum distributions starting at age 70 ½. With a Roth, you can leave more for your beneficiaries if you don't need the money yourself. And with a Roth, no tax is assessed when the money is withdrawn by your beneficiaries, which they can do over their lifetimes.

Another benefit, and in contrast to traditional IRAs, whose withdrawals are generally fully taxable, Roth IRAs can provide a cash flow in retirement that's 100% free of income taxes.

Future interest and investment gains are not taxed at all, as long as the rules are followed. And, in general, the two rules are -- #1: no withdrawals from a Roth IRA prior to age 59½ without an IRS 10% penalty, and #2: no withdrawals until the Roth account has been established for at least five years unless you want to pay a penalty.

Also, please note, A Roth conversion does not eliminate estate tax—which is a common misconception.
But by essentially prepaying the income tax for your beneficiaries now through a Roth conversion, gives them an enormous gift, one that the government will not tax.

So, when might a Roth Conversion be a good idea?
1. If you think that the income tax rates are going to increase in the future, then paying taxes on your conversion now would make sense in order to prevent paying higher taxes in the future.
2. If you don't know what your future tax rates will be – then having some money in a Roth IRA and some in a traditional IRA offers you what some experts are calling "tax diversification."
3. A Roth Conversion is a good idea if you can pay the taxes on the conversion by taking funds from a taxable account. By not pulling money out of your qualified plans to pay taxes, you will increase your after-tax purchasing power in retirement.
4. A Roth IRA can be good if you like the idea that No RMDs are required from the Roth while you are alive.
5. You like the idea that when your beneficiaries inherit your Roth IRA, they will not owe any income taxes on the balance. And they can stretch the balance of the Roth with continued tax-free growth over their lifetimes

Conversely, when might a Roth Conversion not be a good idea?
1. It's not a good idea if you will owe substantial income taxes upon the conversion.
2. If you must pull money from your IRA or 401k to pay the taxes that will be due upon the conversion.
3. If for some reason you know that you will be subject to lower tax rates in the future than you are now.
4. To avoid IRS tax penalties on the Roth conversion, you don't want to withdraw any earnings from the Roth until five years following the conversion and until after you are age 59½.

What to do if you want to pursue a Roth Conversion
If a Roth conversion seems like an opportunity you want to explore, then it makes sense for you to meet very soon with your financial and tax professionals to evaluate your situation. Expect your professionals to help you do the following:
- Understand the amount you would need to pay in taxes upon conversion.
- Make sure you have funds outside of your traditional IRA to pay the taxes on the conversion.
- Help you plan whether you should do this all in 2012 or spread it out over time.

SPECIAL REPORT TIMEOUT

In addition to hosting the Retirement Guy radio show, which I have done now for well over two years, I also conduct free (open to the public) educational events. To meet me in person and learn about retirement, in a public setting, then please call or email me with a request for the date, time and location of my next event.

Other Ways Your Qualified Plan May Be Broken

I have a free special report you can order titled "The 10 Biggest Mistakes by People In or Near Retirement."

And Mistake #5 in that report: Not understanding all the tax rules that affect your investments in retirement and especially your Qualified Retirement Plans such as IRAs, 401(k)s & Pensions.

This is an area of retirement that has huge potential for error. To ignore or mishandle tax issues in retirement can severely impact your nest egg and end up making the IRS your #1 Beneficiary. So today let's look at some of the ways that your Qualified Retirement Plan is broken.

First, let's talk about 401(k)s and other Employer-Sponsored Plans. 401(k) plans have grown in prominence since an IRS regulation in the early 1980s allowed workers to contribute their own money to the accounts on a tax-deferred basis. By 1990, 401(k) plans had about $900 billion in assets; by 2011, the figure had swelled to $4.3 trillion!

But what is so interesting about the 401(k) is that according to a 2005 article in TIME magazine, the 401(k) was never intended to be a retirement plan. No, actually, according to the TIME magazine article, the 401(k) legislation was implemented during a time when highly paid corporate executives were in a 70% marginal tax rate on the upper layer of their income. The 401(k) was to provide them with an avenue to defer compensation to a future time when they would most likely be in a lower income tax bracket. And it worked. The top marginal tax rate today is 35% instead of 70%.

Nonetheless it is the mindset of 78 million Baby Boomers and other working Americans that their 401(k) plans are, indeed, individual retirement plans. And many people have or will become dependent upon their 401(k) plan for a source of income at retirement.

401(k)s and other employer-sponsored tax-qualified plans have been sold as gospel truth to the American public for over thirty years based on what's best for Wall Street profit; not what's best for the plan participant.

As Americans plough trillions of dollars of their pre-tax earned income into these plans, Wall Street is there to rake in billions of dollars in commissions. Once your money is inside these plans Wall Street continues to make money through management fees and commissions resulting from the continuous sale and trading of the investments inside the plans. With these types of plans, Wall Street doesn't really care if your money grows or not because they get paid either way.

Retirement experts find that these plans have numerous shortcomings, including high operation costs and low investment returns. If employees don't make the right large contributions into the right investment mix at the right time, they are at high risk for poverty during retirement.

The switch from traditional pensions to employer-sponsored plans also challenges workers to determine their own life expectancy as they now must manage these plans. And the biggest problem with employer-sponsored plans such as 401(k)s is that they do not provide retirees with <u>guaranteed</u> lifetime retirement income.

Roll a 401(k) over to an IRA

So then ponder for a moment: Not counting your contributions each year, how much has your 401(k) actually grown in value over the last 12 years?

Let me give you three powerful reasons why a person would want to move their money out of a 401(k) or other Employer-Sponsored Plan and roll it into an IRA.

1. Most 401(k)s and other company plans have limited investment options.

Your plan administrator may offer 50 different mutual funds and other investments options, but most of the options are subject to market fluctuations and risk.

If we learned anything in the 2008 market meltdown, it's that what the market gives can be taken away with little to no warning. Many 401(k)s lost as much as 40% in 2008 alone. Those who chose to play it safe and moved their 401(k) money into short-term investments during the market downturn, they were rewarded with little or no growth while inflation and management fees ate away at their principal.

IRAs, by contrast, have almost unlimited investment options including index annuities, which is a choice that guarantees your principal, offers good growth potential and provides a guaranteed lifetime of income.

2. 401(k) plan guidelines can restrict your access to your money.

The 401(k) plan document is essentially the rulebook. If it's not in the book, you can't do it!

For those who have tried, you know that with all the strings attached, it can be a great frustration to try to access your money in an employer-sponsored plan.

It's your money, you earned it, but you can't get at it. And, with savings down and unemployment up, you never know when you'll need extra money just to get by.

By contrast, IRAs offer greater flexibility, allowing you to make your own rules about when and how to take out money.

3. The high fees and expenses in your Employer-Sponsored Plan.

How much does your 401(k) cost? It's a surprisingly difficult question to answer. But the amount you're charged for your tax-exempt retirement plan can make a huge difference in how much you'll have in retirement.

The problem of navigating the maze of fees charged by an army of Wall Street middle men who administer your plan and its investments is currently an exercise in guesswork.

Chunks of your hard-earned cash are siphoned off to pay a long list of people including plan administrators, trustees, stewards, bookkeepers, lawyers, compliance experts, and the investment advisors who manage the mutual funds. The fees that most people currently see on their quarterly statement barely scratch the surface.

According to a new analysis by Demos, a nonpartisan research organization: The average American couple could pay nearly $155,000 in fees for their 401(k) plans over their careers, reducing their eventual nest eggs by more than 30%. This report points a huge spotlight on what many experts say is an enduring problem — high fees that drain the retirement prospects of millions of Americans.

But now, at long last, things are about to change. As of July 1, 2012, the U.S. Department of Labor's long-awaited rules now require that mutual-fund firms and other 401(k) service providers must disclose details about the fees they are charging to run the plans. Administrators, in turn, will have to disclose the costs to the workers who are investing in these plans.

This means that, as a plan participant, you will now begin to see those fees detailed in your third-quarter statement, which will arrive around Thanksgiving.

Once you are able to see the amount of fees associated with your employer-sponsored plan you may decide to pursue an IRA with investment choices, like index annuities, that have little or no fees or expenses to diminish your account value.

If you're deciding that your employer-sponsored plan isn't so great after all, then I can give you some ideas on how to put your money somewhere else. I will talk about one of these ideas in this report and you can call me to learn about some other strategies.

The In-Service Distribution Rule.
Your employer and plan administrator probably don't advertise this fact, but workers age 59½ or older can roll over their 401(k) funds while they're still working and contributing to their plan.

The IRS allows you to empty your 401(k) account once you hit age 59½. You can roll part or all of your money into an IRA without paying any tax now. The same rule applies if you are a participant in a government or not-for-profit savings plan that's similar to a 401(k).

Keep in mind that while the IRS permits this movement of money, your employer doesn't have to allow it. Still, if this concept appeals to you, you should check with your employer to see what they allow and then take advantage of this rule.

One obvious reason to consider an in-service rollover is to escape a bad plan that has expensive, mediocre mutual funds to pick from. If you're stuck in one of these high-fee plans, you can chop your costs by rolling your 401(k) money into an IRA where the investment choice, such as an index annuity, has no fees or commissions coming out of your pocket.

Another reason to do an in-service rollover is if you're leaving retirement money to your kids or grandkids instead of to a spouse. Remember your kids and grandkids who inherit your 401(k) cannot roll it into their own IRA. What they can do is keep the money in what's called an "inherited" IRA, and thereby be able to stretch out withdrawals and tax deferral for decades.

Also, please note that while your kids, or grandkids can inherit your 401(k) and they can convert it to a traditional IRA, your kids or grandkids can not convert it to a Roth IRA. So, a final reason to consider an in-service rollover is to roll your 401(k) directly into a Roth IRA while you're still living. This brings a great tax-free benefit to you and to your heirs when you pass away.

Stretch IRAs and Stretch Roth IRAs
Finally in this Special Report on Taxes in Retirement and Beyond, let's address another mistake: You're not taking advantage of Stretch IRAs and Stretch Roth IRAs.

First, keep in mind that the term "stretch" does not refer to a specific type of IRA, but rather it's a financial strategy to stretch out the life and therefore the tax advantages of an IRA.

Before Congress created Roth IRAs, the term "stretch IRA" was used to describe the strategy in which a spouse, child or grandchild would inherit a pre-tax IRA and then draw out distributions (and also tax deferral) over their own life expectancy.

Remember, with a traditional IRA, the money is taxed as it is taken out of the IRA wrapper, whether by the account owner or beneficiaries. So stretching out the IRA gives the money extra years--potentially decades--to grow compounded and tax-deferred.

And now, with the emergence of the Roth IRA, there are more ways for IRA owners to stretch out tax benefits for themselves and their beneficiaries. So here's what you and family members can do to maximize tax savings.

<u>What You can do as the Owner of an IRA</u>
As I hope you know, with a traditional IRA, the owner must start taking withdrawals by no later than April 1st of the year after turning age 70½. Calculating this required minimum distribution (RMD) is fairly straightforward. You take the account balance on December 31st of the previous year and divide it by the number of years left in your life expectancy and that number is identified on the IRS "Uniform Lifetime" table.

For example, if Sally will be age 75 in 2012 and her IRA account balance at the end of 2011 was $100,000, the RMD for 2012 is $100,000 divided by her remaining life expectancy of 22.9 years (from the IRS table) which equals $4,367. Each year Sally must take another withdrawal, calculated the same way.

Here's where the Roth IRA confusion comes in. In a Roth conversion you move money from a traditional IRA or 401(k) over to a Roth IRA. And you pay ordinary income taxes on whatever amount you shift over.

With a Roth, you don't have to take yearly RMDs, and future growth in the Roth is tax-free, as are future withdrawals. That means unless you need to withdraw the money to live on, there will be more money left in the Roth for your heirs to stretch out.

One thing that affects the value of a stretch-out for your family is your choice of beneficiary. You must indicate this on the beneficiary designation form you fill out when you open the IRA account. It's important to remember that money in an IRA is distributed according to the beneficiary form, not your will.

<u>What Spouses Can Do with Stretch IRAs</u>
Most married people name their spouse as beneficiary of an IRA, and the law gives a spouse inheritor special privileges. A spouse--let's assume it's the wife--can roll the assets into her own IRA. For a traditional IRA that means she can postpone RMDs until the year after <u>she</u> turns age 70½ .

Another choice for the spouse is that, after rolling over the IRA, she can convert it to a Roth and eliminate the need to take withdrawals altogether.

If you do make your spouse the primary beneficiary, then in order to keep your options open, I also recommend that you name a younger person as the contingent beneficiary. And again, you must do this on the beneficiary designation form.

When you die, your spouse can decide to inherit the IRA directly <u>and</u> roll it over into his or her own IRA. Or the spouse can disclaim (which means turn down) the inheritance. In that case the IRA would pass to the younger beneficiary that you named, someone who can take a longer stretch-out.

Please be aware that if you don't name a contingent beneficiary, your spouse will not have this option to name a beneficiary for you after he or she inherits. And in any event, the spouse cannot decide who gets the IRA in case of a disclaimer. It's something only you can map out in advance when you fill out the beneficiary designation form. That's why it's so very important that you take time with your financial professional to do this properly while you are alive.

What can IRA Beneficiaries Do to Stretch an IRA

Any beneficiary, except a spouse, must begin taking withdrawals starting on December 31st of the year after he or she inherits the IRA. The required withdrawal is computed the same way as it is for the owner of the IRA. But the inheritors must use a different IRS table known as the "Single Life Expectancy" table.

For example, let's say Harry leaves his IRA, worth $100,000, to his grandson, who is age 21 when Harry dies at age 69. The grandson must begin taking RMDs the year following Harry's death. But the grandson can stretch out withdrawals for the rest of his life.

Based on an IRA balance of $100,000, the grandson's first required distribution at age 22 is $100,000 divided by his life expectancy of 61.1 years (from the IRS table), or $1,637.

If the grandson continues to withdraw just the RMD each year, and the IRA appreciates at a steady rate of 6%, the grandson's inheritance after RMDs will still be worth over $342,000 by the time the grandson reaches age 65. That's quite a tidy nest egg for his own retirement and supports the power of stretching an IRA.

10 Signs Your Qualified Retirement Plan is Broken

In this Special Report on Taxes I have addressed a few of the warning signals that your Qualified Retirement Plan may be broken. Here is the full list:

1. Your money is still in a Qualified Retirement Plan (QRP) at an employer that you no longer work for. (401k, 403b, 457, TSP, etc.)
2. You're not taking advantage of "In-Service Distribution Rule" for 401(k)s
3. You're not taking advantage of Stretch IRAs and Stretch Roth IRAs.
4. You are not familiar with the many unforgiving tax traps associated with QRP distributions and neither are your beneficiaries.
5. You have improper or no designated beneficiaries
6. You're using a Will or improper Trust to establish beneficiaries
7. You have too much of your QRP at risk in today's market
8. You are still paying commissions, fees and expenses on your QRP
9. Your Custodian won't let your QRP stretch when allowed by IRS rules.
10. Your current advisor is not an QRP distribution specialist

Failure to Fix Your Qualified Retirement Plan could make the IRS your #1 Beneficiary.

Maybe it's time for help from a qualified QRP Expert!

Three Reasons Why You Might Want to Contact Me for help after reading this Special Report:

1. As an IRA Rollover and Distribution Expert, I can review your qualified plans looking for errors and help you make improvements.
2. You want to explore the merits of a Roth IRA conversion I can help you with that analysis.
3. You want to explore the merits of an In-Service Roll-over of your 401(k) to an IRA

I wish you a long, happy and financially secure retirement. And if I can be of any assistance, please do not hesitate to contact me.

Sincerely;

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