



Roth Conversions/Retirement Planning for Life Events

Tax Exempt and Government Entities
Employee Plans
2010 IRS Nationwide Tax Forums



Roth IRA Conversions

- 2010 Rules
 - Income and filing status restrictions gone
 - Special 2-year rule for rollovers in 2010 only
- Taxes
 - All in 2010 or
 - Half in 2011 and half in 2012
- Recharacterizations and Reconversions



Roth IRA Conversions Proceed with Caution

- To Convert or Not to Convert?
 - Current taxes
 - Future tax rates
- Potential Pitfalls
 - Roth IRA contribution income limitation
 - RMDs
 - 60-day rule
 - Beneficiary designation



Loans & Hardship Distributions

- Not Allowed from IRA-based Plans
- Loans
 - Basic loan provisions
 - Taxes
- Hardship Distributions
 - No more than immediate and heavy financial need
 - Taxable income and may be subject to additional 10% early distribution tax



Cashing Out

- IRAs
 - Taxable income
 - May be subject to additional 10% early distribution tax
 - SIMPLE IRAs – 2-year rule
- Roth IRAs – Qualified Distributions
- Qualified Plans
 - Taxability issues
 - Designated Roth accounts



Rollovers to Traditional IRAs

- Methods
 - direct (trustee-to-trustee)
 - indirect (60-day rollover)
- Waiver of 60-day Rollover Period
- Taxability Issues of Indirect Transfers



Inheriting Retirement Plan Accounts and IRAs

- Inheriting a Qualified Plan Account
 - Spouse vs. designated nonspouse beneficiary
 - Required distributions
 - Rollover into an inherited IRA
- Inheriting an IRA
 - Spouse
 - Designed nonspouse beneficiary



Required Minimum Distributions (RMDs)

- Beginning Date
 - Start receiving from IRAs by April 1 of year following year you turn 70 ½
 - For qualified plans, can delay until April 1 of the year after you retire unless 5% owner
- 2009 Waiver
- Calculating the RMD



Deducting Losses in your Retirement Savings

- Losses in Retirement Plans
 - DB vs. DC plans
- Losses in IRAs
 - Basis
 - How to report



Other Hot Topics

- Unused Paid Time Off; contributed annually and/or upon termination of employment
- 402(f) Notice
- We're Glad You Asked!



Additional Information and Assistance

- www.irs.gov/ep
- RetirementPlanQuestions@irs.gov
- (877) 829-5500
- Newsletters:
 - *Retirement News for Employers*
 - *Employee Plans News*



Questions

- Be sure to attend our other presentation: **SIMPLE Solutions for SIMPLE IRA Plan Mistakes**
- Questions ?