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FINANCIAL FOCUS



Lane Gorman Trubitt, L.L.P.
Accountants & Advisors

Accountants & Advisors for a New Economy

Golden Opportunities for the Golden Generation

For decades seniors 70 1/2 years and older have been required to make minimum distributions from their IRA accounts. However 2009 is different. In a bold move Congress has voted to waive the usual required minimum distribution (RMD) for this year giving the golden generation a golden opportunity. They now have more options for what can be done with their money before the RMD returns in 2010.

Golden Opportunities

- If you're comfortable with your current financial situation and don't need to withdraw money from your IRA you have the option of leaving it in your account and allowing it grow. This will give your investment additional tax-deferred time to recoup some of the losses you've experience the last couple of years due to a volatile market.
- With no RMD in effect for 2009 you are free to take distributions on an "as needed" basis. Keeping the largest amount of money in your account for as long as possible will maximize its opportunity for growth.
- Declining an RMD in 2009 may also put you into a lower income tax bracket. Dropping into the 10% or even the 15% bracket could make you eligible for 0% long-term capital gains rate good through 2010.
- If you choose not to take any distributions and have no taxes due on a RMD in 2009 this could be an opportune time to pay tax bills on other assets. For example, excising stock options at the ordinary-income tax rate.
- Retirees earning \$100,000 or less this year may want to consider changing from an IRA to a Roth. The change allows you more control over your money with the ability to withdraw or leave money in without penalty.

If you have any questions about the opportunities created by the 2009 RMD waiver, contact your trusted advisors at Lane Gorman Trubitt, LLP at (214) 871-7500 or Bruce Levi, partner, via email at blevi@lgtcpa.com.