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Your IRA

Prior to 2001, IRA owners who turned 70½ were required to make an irrevocable election concerning which method would be used to calculate minimum distributions. Proposed regulations issued by the Internal Revenue Service in February 2001, and finalized in April 2002, significantly changed these rules. Most importantly, the election which was previously irrevocable can now be changed at any time during the IRA owner's lifetime. Additionally, because of changes in the life expectancy table used to calculate minimum distributions, smaller minimum distributions are required. **How does this effect you?** If you turned 70½ prior to 2002, contact the custodian of your IRA to confirm that your annual required minimum distribution is based on the new life expectancy table.

Everyone 70½ or older should periodically review the beneficiary designation form on file with the custodian of their IRA. If your designations are no longer satisfactory, submit a new beneficiary designation form that conforms with your wishes. It is important to note that, if you have named a primary or a contingent beneficiary who is a minor, incapacitated or unable to make appropriate financial decisions, a trust can be utilized to manage the account for that beneficiary, and his or her life expectancy can still be the gauge by which minimum distributions are calculated.