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Course Information

Course Title: *Tax Treatment of Individual Retirement Plans#291017*

Recommended CPE credit hours recommended for this course

In accordance with the standards of the National Registry of CPE Sponsors, and the Internal Revenue Service, CPE credits have been granted based on a 50-minute hour.

CPA 3 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii State Board of Public Accountancy 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

EA, OTRP, ERPA 3 (All states). IRS: Qualified Sponsor number: FWKKO.

CLU, ChFC: 3 (Professional Recertification)

Course Description

Tax Treatment of Individual Retirement Plans is an online course that examines the taxation of individual retirement arrangements (IRAs). In so doing, it discusses traditional and Roth IRAs, addressing the federal rules concerning: contribution limits and tax treatment; tax treatment of traditional IRA distributions, including regular, early and lifetime required minimum distributions; tax treatment of qualified and nonqualified Roth IRA distributions; required distributions at death; and IRA rollovers.

Program Delivery Method: Self-Study (NASBA QAS Self-Study/Interactive)

Subject Codes/Field of Study

NASBA (CPA): Taxes

IRS (EA, OTRP): Federal Tax Law

ERPA: Qualified Retirement Plan Matters

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

Course Content

Publication/Revision Date: 3/28/2017.

Author: Paul J. Winn, CLU, ChFC

Final Exam (online): 25 questions (multiple choice)

Instructions for taking this course

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed on page one, studying the chapter-text, then studying the review quiz at the end of the chapter (answers to chapter review quizzes are at the end of the text). Once you have completed each chapter and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

Additional Information

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.
- CFP® and EA credits are reported weekly.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

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Contents

Course Information	ii
Contents	iv
Introduction	1
Learning Objectives.....	1
Important Note About the DOL Fiduciary Rule	2
Chapter 1 – Traditional IRAs.....	3
Introduction	3
Chapter Learning Objectives	3
Traditional IRA Eligibility Rules	3
Earned Income.....	4
Limits on Contributions.....	4
Traditional IRA Tax Considerations	5
Traditional IRA Contributions	5
Tax Treatment of Contributions by Active Participants	6
Tax Credits	8
Traditional IRA Accumulations	8
Traditional IRA Rollovers.....	10
Eligible Rollover Distributions	10
Distributions Ineligible for Rollover.....	12
Direct and Indirect Rollovers.....	12
Indirect Rollovers Subject to Timing and Frequency Limitations.....	13
EGTRRA Permits Rollover of After-Tax Contributions	14
Traditional IRA Distributions	14
Premature Distributions	14
Premature Distributions Avoiding Tax Penalty	14
Pro-Rata Distribution of Non-Deductible Contributions	15
Required Distributions during Owner’s Lifetime	15
Required Minimum Distribution Amount.....	16
Required Distributions at Owner’s Death.....	17
Death Before an Owner’s Required Beginning Date	17
Life Expectancy Rule	17
Surviving Spouse’s Life Expectancy Rule	17
Five-Year Rule	17
Surviving Spouse’s Election.....	17
Death On or After the Required Beginning Date.....	18
Summary	18
Review Quiz.....	18
Chapter 2 – Roth IRAs.....	20
Introduction	20
Chapter Learning Objectives	20
Definition & Eligibility	20
Limits on Contributions.....	21
Roth IRA Tax Considerations	22
Qualified Distributions Tax-Free	22
Non-Qualified Distributions Receive FIFO Tax Treatment.....	24
Non-Qualified Gain Distributions Before 59 ½ Subject to Tax Penalty	24

No Required Lifetime Distributions	24
Roth IRA Conversions & Transfers	25
Roth IRA Death Benefit Distributions	25
Life Expectancy Rule	25
Surviving Spouse’s Life Expectancy Rule.....	25
Five-Year Rule	25
Surviving Spouse’s Election	25
Summary.....	26
Review Quiz.....	26
Glossary	28
Answers to Chapter Review Quizzes.....	31
Chapter 1	31
Chapter 2	33
Index.....	36

Introduction

Federal tax policy is designed to accomplish numerous goals, from funding government to encouraging socially-beneficial actions such as saving for retirement. ERISA, the Employee Retirement Income Security Act, was created principally to meet the latter objective.

ERISA created an individual retirement arrangement—usually referred to simply as an IRA—to encourage taxpayers who were not participants in an employer-sponsored qualified retirement plan to save money to fund their future retirement needs. That was the initial legislative action. In order to participate, you needed to be employed and not a participant in a pension, profit-sharing or other qualified plan.

These early ERISA provisions offering tax benefits to individuals funding IRAs have been extended in subsequent legislative actions to:

- Unemployed spouses;
- Qualified retirement plan participants; and
- Taxpayers preferring tax-free distributions instead of deductible contributions.

Early expansion of the IRA provisions added a spousal IRA that is designed to provide retirement assistance to uncompensated homemakers. It was also expanded to allow employees who are covered under an employer-sponsored qualified pension or profit-sharing plan to contribute to an IRA.

Since that earlier ERISA expansion related to IRAs, new IRAs have been added, including Roth IRAs that offer tax-free qualified distributions rather than deductible contributions. In order to differentiate the newer Roth IRA from its earlier cousin, the original IRA is now referred to as a “traditional” IRA.

Learning Objectives

Upon completion of this course, you should be able to:

- Apply the rules governing eligibility for and contributions to traditional and Roth IRAs;
- Identify the requirements and benefits related to a spousal IRA;
- Apply the tax treatment rules concerning contributions to and distributions from traditional and Roth IRAs; and
- Distinguish between traditional and Roth IRA distribution rules.