HECKERLING INSTITUTE 2001
REPORT #7

As we did in January of the last four years, and again with the permission of the University of Miami School of Law Center for Continuing Legal Education, we will be posting to this list
throughout the coming weeks highlights of the proceedings of the 35th Annual Philip E. Heckerling Institute on Estate Planning that is being held January 8-12, 2001 at the Fontainebleau Hilton Resort and Towers in Miami Beach, Florida.

Our on-site local reporters there in Miami this year will include:

Steve Leimberg Esq. of Bryn Mawr, PA - leimberg@home.com
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Again this year a complete listing of the proceedings and speakers is available on the Institute's Web site. The new URL for that site is http://www.law.miami.edu/heckerling
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REPORT NO. 7 - Friday, January 12, 2001

First, Reporter Alan Rothschild reports the following on Roy Adams' Friday morning presentation entitled "Ethics at the Edge: Sophisticated Estate Planning and Professional Responsibility."

In the final lecture of the 2001 Heckerling Institute, Roy Adams discussed the practical and ethical components of three cutting edge planning techniques -- the Remainder Purchase Marital Trust ("RPM Trust"), the Guaranteed GRAT and the Restricted Management Account ("RMA").

RPM TRUST --- The RPM Trust is a simultaneous transfer of a life interest in trust to a spouse coupled with a sale of the remainder interest to their children. The transfer to the spouse is designed in a way which purports to qualify for the gift tax marital deduction, but which is not subject to estate tax on the spouse's death. If successful, the entire property interest, less the interest actually paid to the spouse from the trust, passes to the children gift and estate tax free.

In the RPM Trust, the spouse will not have a GPA and a QTIP election will not be made. As such, the property should not be included in the spouse's estate at their death. However, the interest transferred to the spouse should qualify for the gift tax marital deduction because the children pay the parent/grantor adequate and full consideration for their interest, thus, Section 2523(b) does not apply.

In order to reduce valuation issues, Adams recommends that the spouse receive either an income only interest in the trust or an annuity. This will make valuation one of a simple annuity or life estate. On the other hand, if an ascertainable or discretionary standard is used, then correct valuation is difficult to achieve.

In an all income RPM Trust which pays income to the spouse for the shorter of a specific term or the spouse's life, and if the trust invests for growth, then all of the appreciation on the trust property should be transferred to the children free of transfer taxes. This result is clearly better than a GRAT and sale to an IDGT where only the growth in excess of the IRS rates is passed on to the children.

In an annuity RPM Trust, the trust could pay the spouse an annuity for a fixed no. of years. Adams noted that the annuity could be structured in such a way that the purchase price paid by the children was significantly lowered. An annuity RPM Trust has significant advantages on a GRAT also -- there is no mortality risk -- if the spouse dies during the term, only the present value of the remaining annuity payments are included.

Adams' outline goes into significant detail about the issues governing the taxation of these types of interests. He emphasizes that it is critical to the economic viability of the RPM Trust that adequate and full consideration for the remainder interest be equal to the actuarial value of such interest under Section 7520.

Two ways trouble could arise are under Gradow and Chap. 14. Under Chap. 14, the transferor does not retain any interest in trust, rather, he or she simultaneously transfers a life estate to his or her spouse and sells the balance. Some courts, like Gradow, have held that for estate tax purposes, in determining whether a transferor has received full and adequate consideration for their remainder interest sale, the measure is not the actuarial value of the remainder, but the full value of the property. If this rule were applicable to RPM Trusts, they would not work. However, Adams urged that the decisions should have not an impact on these rusts since the grantor does not retain an interest in the trust (the entire interest is transferred at once), and these decisions do not apply to gift tax inclusion in any event.

GUARANTEED GRAT --- In a traditional GRAT, if the grantor dies during the GRAT term, all of the GRAT property is included in the grantor's gross estate under Sections 2036 & 2039. Adams suggested eliminating this "mortality risk" through the establishment of a Guaranteed GRAT. This type of GRAT is structured as follows: Parent creates traditional GRAT for the shorter of a period of years or their death. Parent also retains a contingent reversion so that the remaining GRAT property will be paid to their estate if they do not survive the GRAT term. Their children are the remaindermen and receive any excess GRAT property at the end of the term.

Shortly after establishing the GRAT, parent/grantor and children/remaindermen enter into a purchase agreement for the children to purchase the equivalent of the parent's contingent reversion at FMV. If parent dies during the GRAT term, the GRAT will terminate and distribute the remaining property to parent's estate. The estate will be obligated to pay the children an amount equal to the value of the amount it receives from the GRAT on account of the parent's contingent reversion, and the children pay the estate an amount equal to the current actuarial value of the contingent reversion. The estate will then be entitled to an estate tax deduction for the amount it pays to the children. Therefore, Adams suggested, even though the GRAT property is included in the parent's estate, it receives an offsetting deduction.

Adams' outline cited a 1999 Trusts & Estates article by David Handler and Deborah Dunn entitled "Guaranteed GRATs: GRATs without Mortality Risk" for more information.

RMA --- To establish a Restricted Management Account, an investor establishes an investment management account, funds it with cash or securities and enters into a management agreement with an investment manager. Under the terms of the agreement, the investment manager has the exclusive right to manage the investments and the investor may not terminate the agreement for a fixed period of time. Adams noted that the SEC prohibits registered investment advisors from entering into these types of agreements. However, non-registered advisors, banks and trust companies may be able to since they are not subject to this SEC prohibition. One bank is already test-marketing this product in the Pittsburg and West Palm Beach markets.

Because of the restrictions on access to the account, Adams suggested that RMA accounts should be subject to at least as favorable valuation discounts as Rule 144 stock. Such stock has been valued in ranges from 20-60%, with a recent study showing 21% as the average.

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Next, along with the recent development in the split dollar arena that we reported on briefly in Report No. 6, there was another newsworthy development that occurred in the MRD arena that first came to light only after Natalie Choate had finished her Fundamentals presentation on Monday morning entitled "The Fundamental of Estate Planning for Qualified Retirement Plan Benefits and IRAs: What to do in real life." Here are some recent discussion list postings of interest on this subject:

Date: Fri, 12 Jan 2001 08:57:42 -0600
From: "Hoyt, Christopher" <HoytC@UMKC.EDU>
Subject: [GIFT-PL] Treasury Overhauls IRA Distribution Regulations !!
To: GIFT-PL@LISTSERV.IUPUI.EDU

Dear Colleagues:

A remarkable development!! The Department of Treasury has issued a substantial revision to the proposed regulations that govern the required minimum distributions from IRAs and qualified retirement plans both after age 70 1/2 and after death. It substantially overhauls the proposed regulations that have been in place since 1987!

The rules are considerably simplified. There is no need to elect to recalculate or not recalculate one's life expectancy. A beneficiary can be determined as late as the end of the year following the year of the employee's death.

Amazing!!

What is the impact on charities? Give me some time to read it please. You can look at it yourself, if you like. An excerpt from the preamble to the revised regulations is attached, including the popular situation of naming a trust as a beneficiary of an IRA. If you would like to see the full text, the tax gurus at Tax Analysts published the full text in its Friday edition of its Tax Notes Today library available on LEXIS. The headline reads:

2001 TNT 9-7 PROPOSED REGS SUBSTANTIALLY SIMPLIFY MINIMUM REQUIRED DISTRIBUTIONS. (Doc 2001-1313 (108 original pages))

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REQUIRED DISTRIBUTIONS FROM RETIREMENT PLANS
[4830-01-u]

DEPARTMENT OF TREASURY
Internal Revenue Service (IRS)
26 CFR Parts 1 and 54
[REG-130477-00; REG-130481-00]
RIN 1545-AY69, 1545-AY70
JANUARY 11, 2001

EXCERPT FROM THE PREAMBLE THAT EXPLAINS THE CHANGES:

As discussed below, in response to extensive comments, the rules for calculating required minimum distributions from individual accounts under the 1987 proposed regulations have been substantially simplified. Certain other 1987 rules have also been simplified and modified, although many of the 1987 rules remain unchanged. In particular, due to the relatively small number of comments on practices with respect to annuity contracts, and the effect of the 1987 proposed regulations on these practices, the basic structure of the 1987 proposed regulation provisions with respect to annuity payments is retained in these proposed regulations. The IRS and Treasury are continuing to study these rules and specifically request updated comments on current practices and issues relating to required minimum distributions from annuity contracts.

EXPLANATION OF PROVISIONS

Overview

Many of the comments on the 1987 proposed regulations addressed the rules for required minimum distributions during an employee's life, including calculation of life expectancy and determination of designated beneficiary. In particular, comments raised concerns about the default provisions, election requirements, and plan language requirements. In general, the need to make decisions at age 70 1/2, which under the 1987 proposed regulations would bind the employee in future years during which financial circumstances could change significantly, was perceived as unreasonably restrictive. In addition, the determination of life expectancy and designated beneficiary and the resulting required minimum distribution calculation for individual accounts were viewed as too complex.

To respond to these concerns, these proposed regulations would make it much easier for individuals -- both plan participants and IRA owners -- and plan administrators to understand and apply the minimum distribution rules. The new proposed regulations would make major simplifications to the rules, including the calculation of the required minimum distribution during the individual's lifetime and the determination of a designated beneficiary for distributions after death. The new proposed regulations simplify the rules by

* Providing a simple, uniform table that all employees can use to determine the minimum distribution required during their lifetime. This makes it far easier to calculate the required minimum distribution because employees would

* no longer need to determine their beneficiary by their required beginning date,

* no longer need to decide whether or not to recalculate their life expectancy each year in determining required minimum distributions, and

* no longer need to satisfy a separate incidental death benefit rule.

* Permitting the required minimum distribution during the employee's lifetime to be calculated without regard to the beneficiary's age (except when required distributions can be reduced by taking into account the age of a beneficiary who is a spouse more than 10 years younger than the employee).

* Permitting the beneficiary to be determined as late as the end of the year following the year of the employee's death.

This allows

* the employee to change designated beneficiaries after the required beginning date without increasing the required minimum distribution and

* the beneficiary to be changed after the employee's death, such as by one or more beneficiaries disclaiming or being cashed out.

* Permitting the calculation of post-death minimum distributions to take into account an employee's remaining life expectancy at the time of death, thus allowing distributions in all cases to be spread over a number of years after death.

These simplifications would also have the effect of reducing the required minimum distributions for the vast majority of employees.

THE UNIFORM DISTRIBUTION PERIOD

Under these proposed regulations and the 1987 proposed regulations, for distributions from an individual account, the required minimum distribution is determined by dividing the account balance by the distribution period. For lifetime required minimum distributions, these proposed regulations provide a uniform distribution period for all employees of the same age. The uniform distribution period table is the required minimum distribution incidental benefit (MDIB) divisor table originally prescribed in section 1.401(a)(9)-2 of the 1987 proposed regulations and now included in A-4 of section 1.401(a)-5 of the new proposed regulations. An exception applies if the employee's sole beneficiary is the employee's spouse and the spouse is more than 10 years younger than the employee. In that case, the employee is permitted to use the longer distribution period measured by the joint life and last survivor life expectancy of the employee and spouse.

These changes provide a simple administrable rule for plans and individuals. Using the MDIB table, most employees will be able to determine their required minimum distribution for each year based on nothing more than their current age and their account balance as of the end of the prior year (which IRA trustees report annually to IRA owners). Under the 1987 proposed regulations, some employees already use the MDIB table to determine required minimum distributions. Under the new proposed regulations, they would continue to do so. For the majority of other employees, required minimum distributions would be reduced as a result of the changes.

For years after the year of the employee's death, the distribution period is generally the remaining life expectancy of the designated beneficiary. The beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the employee's death, reduced by one for each subsequent year. If the employee's spouse is the employee's sole beneficiary at the end of the year following the year of death, the distribution period during the spouse's life is the spouse's single life expectancy. For years after the year of the spouse's death, the distribution period is the spouse's life expectancy calculated in the year of death, reduced by one for each subsequent year. If there is no designated beneficiary as of the end of the year after the employee's death, the distribution period is the employee's life expectancy calculated in the year of death, reduced by one for each subsequent year.

The MDIB table is based on the joint life expectancies of an individual and a survivor 10 years younger at each age beginning at age 70. Allowing the use of this table reflects the fact that an employee's beneficiary is subject to change until the death of the employee and ultimately may be a beneficiary more than 10 years younger than the employee. The proposed regulations would allow lifetime distributions at a rate consistent with this possibility. Consistent with the requirements of section 401(a)(9)(A)(ii), the distribution period after death is measured by the life expectancy of the employee's designated beneficiary in the year following death, or the employee's remaining life expectancy if there is no designated beneficiary. This ensures that the employee's entire benefit is distributed over a period described in section 401(a)(9)(A)(ii), i.e., the life expectancy of the employee or the joint life expectancy of the employee and a designated beneficiary.

The approach in these proposed regulations allowing the use of a uniform lifetime distribution period addresses concerns raised in comments on the 1987 proposed regulations that the rules are too complex. It eliminates the use of two tables and the interaction of the multiple beneficiary and change in beneficiary rules. Finally, it generally eliminates the need to fix the amount of the distribution during the employee's lifetime based on the beneficiary designated on the required beginning date and eliminates the need to elect recalculation or no recalculation of life expectancies at the required beginning date. * * *

DETERMINATION OF THE DESIGNATED BENEFICIARY

These proposed regulations provide that, generally, the designated beneficiary is determined as of the end of the year following the year of the employee's death rather than as of the employee's required beginning date or date of death, as under the 1987 proposed regulations. Thus, any beneficiary eliminated by distribution of the benefit or through disclaimer (or otherwise) during the period between the employee's death and the end of the year following the year of death is disregarded in determining the employee's designated beneficiary for purposes of calculating required minimum distributions. If, as of the end of the year following the year of the employee's death, the employee has more than one designated beneficiary and the account or benefit has not been divided into separate accounts or shares for each beneficiary, the eneficiary with the shortest life expectancy is the designated beneficiary, consistent with the approach in the 1987 proposed regulations.

This approach for determining the designated beneficiary following the death of an employee after the employee's required beginning date is simpler in several respects than the approach in the 1987 proposed regulations and responds to concerns raised with respect to the effects of beneficiary designation at the required beginning date. Under this approach, the determination of the designated beneficiary and the calculation of the beneficiary's life expectancy generally are contemporaneous with commencement of required distributions to the beneficiary. Any prior beneficiary designation is irrelevant for distributions from individual accounts, unless the employee takes advantage of a lifetime distribution period measured by the joint life expectancy of the employee and a spouse more than 10 years younger than the employee. Further, for an employee with a designated beneficiary, this approach provides the same rules for distributions after the employee's death, regardless of whether death occurs before or after an employee's required beginning date. Finally, in the case of an employee who elects or defaults into recalculation of life expectancy and who dies without a designated beneficiary, the requirement that the employee's entire remaining account balance be distributed in the year after an employee's death has been eliminated and replaced with a distribution period equal to the employee's remaining life expectancy recalculated immediately before death.

DEFAULT RULE FOR POST-DEATH DISTRIBUTIONS

As requested by some commentators, these proposed regulations would change the default rule in the case of death before the employee's required beginning date for a nonspouse designated beneficiary from the 5-year rule in section 401(a)(9)(B)(ii) to the life expectancy rule in section 401(a)(9)(B)(iii).

Thus,

absent a plan provision or election of the 5-year rule, the life expectancy rule would apply in all cases in which the employee has a designated beneficiary. As in the case of death on or after the employee's required beginning date, the designated beneficiary whose life expectancy is used to determine the distribution period would be determined as of the end of the year following the year of the employee's death, rather than as of the employee's date of death (as would have been required under the 1987 proposed regulations). The 5-year rule would apply automatically only if the employee did not have a designated beneficiary as of the end of the year following the year of the employee's death. Finally, in the case of death before the employee's required beginning date, these proposed regulations allow a waiver, unless the Commissioner determines otherwise, of any excise tax resulting from the life expectancy rule during the first five years after the year of the employee's death if the employee's entire benefit is distributed by the end of the fifth year following the year of the employee's death. * * *.

Trust as beneficiary

These proposed regulations retain the provision in the proposed regulations, as amended in 1997, allowing an underlying beneficiary of a trust to be an employee's designated beneficiary for purposes of determining required minimum distributions when the trust is named as the beneficiary of a retirement plan or IRA, provided that certain requirements are met. One of these requirements is that documentation of the underlying beneficiaries of the trust be provided timely to the plan administrator. In the case of individual accounts, unless the lifetime distribution period for an employee is measured by the joint life expectancy of the employee and the employee's spouse, the deadline under these proposed regulations for providing the beneficiary documentation would be the end of the year following year of the employee's death. This is consistent with the deadline for determining the employee's designated beneficiary. Because the designated beneficiary during an employee's lifetime is not relevant for determining lifetime required minimum istributions in most cases under these proposed regulations, the burden of lifetime documentation requirements contained in the previous proposed regulations is significantly reduced.

A significant number of commentators on the 1997 amendment to the proposed regulations requested clarification that a testamentary trust named as an employee's beneficiary is a trust that qualifies for the look-through rule to the underlying beneficiaries, as permitted in the 1997 proposed regulations. These proposed regulations provide examples in which a testamentary trust is named as an employee's beneficiary and the look-through trust rules apply. As previously illustrated in the facts of Rev. Rul. 2000-2, 2000-3 I.R.B. 305, the examples also clarify that remaindermen of a "QTIP" trust must be taken into account as beneficiaries in determining the distribution period for required minimum distributions if amounts are accumulated for their benefit during the life of the income beneficiary under the trust.

Date: Wed, 17 Jan 2001 15:53:48 -0500
From: Tim Barkley <farmertim@FARMLAW.COM>
Subject: [ABA-PTL] IRA/QP regs
To: ABA-PTL@MAIL.ABANET.ORG

Folks,

Forgive if this has already hit the list, but the new MRD rules can be found at http://www.access.gpo.gov/su_docs/fedreg/a010117c.html if anybody wants it from the mouth of the hoss - if your browser will let you, you can skip the Fed Reg lookup step and go directly to

>> http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=2001_register&docid=01-304-filed.pdf

>> for the file in .pdf format

--tim

barkley@barkleylaw.com
barkley@birchgroup.com
301-829-3778

Date: Wed, 17 Jan 2001 15:26:29 -0600
From: "Hoyt, Christopher" <HoytC@UMKC.EDU>
Subject: [ABA-PTL] How To Explain The New IRA Distribution Rules To The Numerically Challenged
To: ABA-PTL@MAIL.ABANET.ORG

Dear Colleagues:

Some of you may be looking for a simple way to explain the new IRA distribution regulations to clients, donors and friends. Attached is a short summary that does it, and it includes the tables and exact percentages that they will need to comply with the new laws.

I'm confident that everything is accurate, but if you see a mistake please let me know and I will publicize your correction and my error to the world. I inserted citations to the applicable regulations for you to verify the statements.

The new rules are absolutely wonderful compared to the old rules. For example, it is very easy to name a charity as a beneficiary of part or all of a person's retirement account without accelerating distributions over the person's lifetime or after death.

Over the account owner's lifetime the minimum distributions are the same whether a charity is named as a beneficiary or not. After the account owner's death, however, the administrator will usually want to "cash out" the charity's share of the account before the end of the year that follows the year that the account owner died. That will leave only non-charitable beneficiaries at the end of that year and will give those beneficiaries greater flexibility than if the charity is still a beneficiary. Overall, this cash-out strategy permits a charity to be a beneficiary of part or all of any IRA or retirement plan account without causing any problems to the other beneficiaries, such as children.

CHRIS HOYT
Christopher R. Hoyt
Professor of Law

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REQUIRED DISTRIBUTIONS OVER YOUR LIFETIME AFTER AGE 70 ½

GENERAL RULES

Unless you are married to someone who is more than ten years younger than you, there is one -- and only one -- table of numbers that tells you the portion of your IRA, 403(b) plan or qualified retirement plan that must be distributed to you each year after you attain the age of 70 ½.

The only exception to this table is if (1) you are married to a person who is more than ten years younger than you and (2) she or he is the only beneficiary on the account. In that case the required amounts are even less than the amounts shown in the table. To be exact, the required amounts are based on the actual joint life expectancy of you and your younger spouse.

TWO SIMPLE STEPS

Step 1: Find out the value of your investments in your retirement plan account on the last day of the preceding year. For example, on New Years Day you can look at the closing stock prices for December 31.

Step 2: Multiply the value of your investments by the percentage in the table that is next to the age that you will be at the end of this year. This is the minimum amount that you must receive this year to avoid a 50% penalty.

Example: Ann T. Emm had $100,000 in her only IRA at the beginning of the year. She will be age 82 at the end of this year. She must receive at least $6,250 during the year to avoid a 50% penalty (6.25% times $100,000).

THE TABLE: (Law: Prop. Reg. Sec. 1.401(a)(9)-5 Q&A 4(a)(2) (2001)) 70 3.8168%   [[....snip.... but see further below re]]

Unlike the old law, there is no longer any different payout based on who you name to be the beneficiary of your account after your death. The minimum lifetime distributions over the rest of your life will be the same whether you name a charity, your father, your mother, your sister, your brother, your child, your grandchild, your dog or your cat. However, distributions after your death can vary depending on who the beneficiary is.

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REQUIRED DISTRIBUTIONS AFTER DEATH FOR PEOPLE WHO DIE AFTER "THE REQUIRED BEGINNING DATE" (after April 1 of the year that follows the year that the person attained age 70 ½).

RULES IF SPOUSE IS NOT A DESIGNATED BENEFICIARY (Spouses generally qualify for the most favorable treatment, such as rollovers)

GENERAL RULE

The general rule is that distributions can be made from the decedent's account over the life expectancy of a person who is the same age that the decedent would have been on the last day of the year in which she or he died. Prop. Reg. Sec. 1.401(a)(9)-5, Q&A 5(a)(2) and 5(c)(3)

EXAMPLE: Sam died at the age of 79. His IRA must be emptied over the next 10 years, since a 79 year old person has a life expectancy of 10 years. The minimum required distribution for each year is 1/10th of the account balance in the first year, 1/9th the second year, 1/8th the third year, and so on.

EXCEPTION IF THERE IS A YOUNGER DESIGNATED BENEFICIARY

Instead of distributing the amounts over the life expectancy of someone who is the decedent's age, amounts can be distributed over the longer life expectancy of the designated beneficiary. The life expectancy of the designated beneficiary is determined by using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the employee's death. Prop. Reg. Sec. 1.401(a)(9)-5, Q&A 5(c)(1).

EXAMPLE: When Sam died at the age of 79 he had named his 22 year old granddaughter as the sole beneficiary of the IRA. Next year his granddaughter was age 23. According to the table, a 23 year old has a life expectancy of 59 years. Thus, instead of distributing the amounts over 10 years the amounts can be distributed over 59 years. The first required distribution is 1/59th, next year it is 1/58th, etc. etc.

WHAT IF THERE ARE TWO OR MORE BENEFICIARIES?

Generally the distributions are measured by the beneficiary with the shortest life expectancy. Prop. Reg. Sec. 1.401(a)(9)-5, Q&A 7(a)(1). However, separate distribution computations may be possible with separate accounts. Prop. Reg. Sec. 1.401(a)(9)-8, Q&A 2 and 3.

EXAMPLE: Sam named both his 58 year old nephew and his 22 year granddaughter as equal co-beneficiaries. Distributions to both beneficiaries are based on the older nephew's life expectancy. However, separate distribution computations may be possible with separate accounts for each beneficiary.

WHAT IF ONE BENEFICIARY IS A CHARITY?

GENERAL RULE: The minimum distributions revert to the decedent's remaining life expectancy. The other beneficiaries (e.g., children and grandchildren) cannot use their longer life expectancies. The logic is that a charity does not have a life expectancy. Prop. Reg. Sec. 1.401(a)(9)-5, Q&A 7(a)(1)(last sentence).

SOLUTIONS WHEN A CHARITY IS A BENEFICIARY:

#1: A SEPARATE ACCOUNT FOR THE CHARITY: Prop. Reg. Sec. 1.401(a)(9)-8, Q&A 2 and 3. In that case, the distributions to the other beneficiaries are computed without regard to the account for the charity.

#2: CASH OUT THE CHARITY's INTEREST BEFORE THE END OF THE NEXT YEAR: If the charity's entire share is distributed before the end of the calendar year that follows the year of death, then the charity is no longer a beneficiary and will not affect the distribution period. This is because the point in time when the final beneficiaries are determined is the last day of the calendar year following the calendar year of the account owner's death. Prop. Reg. Sec. 1.401(a)(9)-4, Q&A 4(a).

HERE IS THE TABLE FOR MEASURING THE REMAINING YEARS OF REQUIRED DISTRIBUTION USING EITHER (1) THE REMAINING LIFE EXPECTANCY OF THE ACCOUNT OWNER OR (2) THE LIFE EXPECTANCY OF THE DESIGNATED BENEFICIARY, WHICHEVER IS APPROPRIATE. Table V of Reg. 1.72-9, as required by Prop. Reg. Sec. 1.401(a)(9)-5, Q&A 6. [[....snip.... but see further below re]]

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Date: Thu, 18 Jan 2001 00:23:24 EST
From: VWHenry@AOL.COM
Subject: [ABA-PTL] new IRA regulations ala Prof. Hoyt
To: ABA-PTL@MAIL.ABANET.ORG

With Professor Hoyt's permission, I have reformatted his email on the new IRA regulations for the mathematically challenged and posted it to the following URL. The effect of these changes on charities is still undetermined, but it certainly gives advisors a reason to visit with donors and clients about their estate planning needs.

http://gift-estate.com/RMD-2001.html

Vaughn W. Henry
Springfield, IL

http://gift-estate.com

Date: Wed, 17 Jan 2001 14:40:13 -0600
From: "John L. Olsen" <jolsen02@EARTHLINK.NET>
Subject: [ABA-PTL] New MRD calculator available now!!
To: ABA-PTL@MAIL.ABANET.ORG

Jeff Pickard, the guru of ZCalc, has an online MRD calculator, WITH THE NEW RULES INCORPORATED, available on his website: www.zcalc.com. It's FREE!

He's also got the new rules incorporated in his UTTERLY MARVELLOUS "ZCalc Toolbox". In that one, you'll get every MRD report you could want - including a comparison of the new rules with the old ones, COMPLETE WITH GRAPHS!

The thing does SCINS, CRATS, CRUTS, CLUTS, CLATS, QPRTS, GRATS, and a new ESTATE PLANNING SCENARIO, which graphically illustrates a number of typical EP distribution patterns, in as clear a presentation as I've ever seen. He's selling it for $99 for now, and, in my opinion, it's WELL worth the money!

No, I don't get commissions from Jeff. But he's nice enough to give me the software for free because I'm a loudmouth!

John Olsen

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That is it for Report No. 7 - Stand By for Final Report No. 8

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NOTICE: Although audio tapes of all of the substantive session at the Miami Institute currently are only made available to Institute registrants for purchase, the entire proceeding of the Institute are published annually by Lexis/Nexis. For further information, go to their Web site at <http://www.lexis.com/>.

The text of these proceedings is also available on CD ROM from Authority by Matthew Bender. For further information, contact your Matthew Bender sales representative, or call (800) 533-1637, or fax (800) 828-8341, or go to URL <http://www.bender.com/>, or write to Matthew Bender & Co., Inc., Attn: Fulfillment Dept., 1275 Broadway, Albany, NY 12204.

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