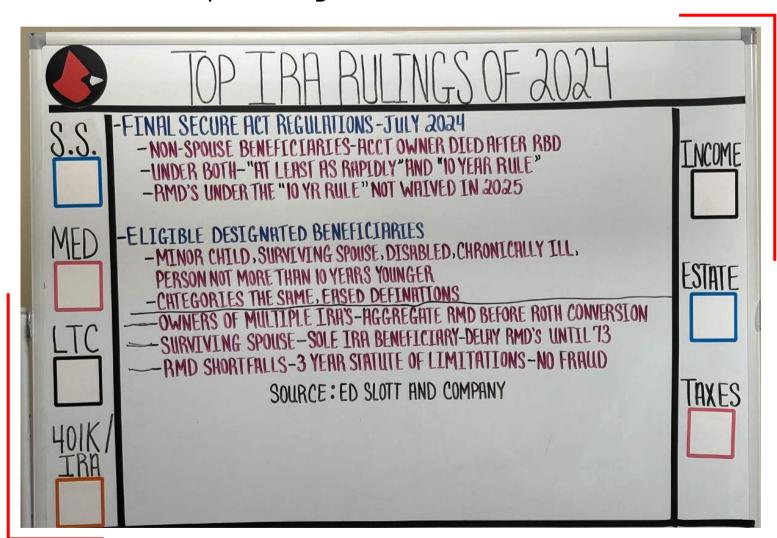


Top IRA Rulings of 2024

In the video entitled "Top IRA Rulings of 2024" Hans and Tom use the following document to breakdown IRA's.



The information and opinions contained herein are provided by third parties and have been obtained from sources believed to be reliable, however, we make no representation as to its completeness or accuracy. The information is not intended to be used as the sole basis for financial decisions, nor should it be construed as advice designed to meet the particular needs of an individual's situation. Content is provided for informational purposes only and is not a solicitation to buy or sell any products mentioned.

Membership to Ed Slott's Master Elite IRA Advisor Group™ was granted in November of 2012 for Hans Scheil and in October of 2022 for Thomas Griffith. Ed Slott's Master Elite IRA Advisor Group is solely an indication that the financial advisor has attended training provided by Ed Slott and Company, maintained an Elite IRA Advisor Group™ membership for two or more years, passed bi-annual examinations on material covered at conferences and in webinars and met other membership requirements and does not constitute an endorsement of any kind. Ed Slott's Elite IRA Advisor Group™ members pay a fee for the educational programs that allow them to be included in the Ed Slott's Elite IRA Advisor Group™. Membership does not guarantee investment success.

April 2025

Executive Summary

Top IRA Rulings of 2024

- Final SECURE Act regulations published in July 2024 confirmed that non-spouse beneficiaries who inherit from an account owner who died on or after their RBD may be subject to both annual RMDs under the "at least as rapidly" rule and the SECURE Act's 10-year rule.
- The final regulations also confirm that RMDs during the 10-year rule, which have been waived by the IRS in previous years, are required for 2025.
- The trustee of a trust, which is the IRA beneficiary, no longer must give the IRA custodian a copy of the trust or information about the beneficiaries by October 31 of the year following death.
- Some eligible designated beneficiaries face an easier path to qualifying for stretch IRAs because the final SECURE Act regulations liberalized the definition of being disabled.
- Owners of multiple IRAs in their RMD years must fulfill the aggregate RMD before doing any Roth IRA conversions or 60-day rollovers.
- A surviving spouse named as sole IRA beneficiary can delay RMDs until the year the deceased spouse would have reached age 73, if the death occurred before RMDs began. (SECURE 2.0 Act)
- For RMD shortfalls there is a three-year statute of limitations, beginning when the taxpayer files a Form 1040 income tax return for the relevant year, but no SOL applies in cases of a false or fraudulent return with the intent to evade tax.
- When the IRS levies a retirement plan, the owner is taxed on constructive receipt and may be penalized as well. (Lonnie Wayne Hubbard v. Commissioner, T.C. Memo. 2024-016, 2/6/2024)
- Failure to file IRS Form 5329 or send it separately to the IRS did not allow the statute of limitations on excess IRA contributions to begin running. (Couturier, T.C. Memo. 2024-6, 1/17/2024)
- The SECURE 2.0 Act's emergency exception to the 10% penalty is not retroactive, so it does apply to distributions before the law's effectiveness, beginning in 2024. (<u>Caren Kohl v. Commissioner, T.C. Summ. Op. 4/25/2024</u>)
- The first-time homebuyer exception from the 10% additional tax does not apply if the taxpayer cannot show that the withdrawal was from an IRA. (<u>Edward George Shlikas v. Commissioner, Tax Court Summary Opinion 2024-10, 6/20/2024</u>)
- The 60-day rollover deadline may be extended if the delay was due to a fraud scheme. (PLRs: 202441015; 202430010)
- Relief from the 60-day deadline was denied when the result was the effective recharacterization of a Roth IRA conversion. (PLR 202423009)
- When a widow was the trustee of a trust named as IRA beneficiary, the IRS allowed her to roll over a portion of the IRA to her own IRA in satisfaction of her share of the trust. (PLR 202348009)