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Quickly and Easily Find Answers to Your Clients' Most Pressing Questions

The image shows a screenshot of the TaxFacts ONLINE website. A search bar at the top contains the text "roth ira" and a "SEARCH" button. A red dotted line points from the search bar to a "Practice Points" box on the left side of the page, which is titled "Case Study on Health Insurance" and contains the text "Gift of a deferred annuity to an irrevocable grantor trust: Is it an income taxable event?". A red arrow points from the search bar to a search results page. The search results page shows "84 results for 'roth ira'" and a list of search results. The first result is "3616. Can a taxpayer whose income level exceeds the limitations for Roth IRA contributions maintain a Roth IRA?". The second result is "3626. How are amounts distributed from a Roth IRA taxed?". The third result is "Removing the Roth IRA Contribution Limit Roadblock with 401(k) Dollars". The fourth result is "3615. How much may an individual contribute to a Roth IRA?". The fifth result is "3617. Can an individual roll over or convert a traditional IRA or other eligible retirement plan into a Roth IRA?". The sixth result is "3609. How are earnings on an IRA taxed?". The search results page also includes a "Pages:" section with a pagination control showing "1 2 3 > >>".

Navigation by Topic/Sub-topic

TaxFacts ONLINE
Expert Insight & Practical Guidance From The Editors of Tax Facts

HOME INSURANCE EMPLOYEE BENEFITS INVESTMENTS INDIVIDUALS & SMALL BUSINESS MEET THE EXPERTS CONTACT US

The Insight is Online...Tax Facts Online
NEW FEATURES illustrate—and illuminate—the very latest developments.

- Insightful Case Studies offer two expert analyses.
- Expert's Corner zeroes in on the most pressing tax issues of the day.
- What's New tackles recently revised Tax Facts questions—providing expert analysis on select questions.
- Thumbs-Up/Thumbs-Down presents the latest opinion and analysis from the Editorial Advisory Board.
- Tax News skillfully dissects and distills the latest and most vital issues in the tax world.

Today's Tax Facts Online: Get Our Insight. Keep Your Edge.

By the National Underwriter Company Wealth Management Team of Robert Bloink, Esq., LL.M., and William H. Byrnes, Esq., LL. M.

IN FOCUS

Case Study on Health Insurance

Issue: The Affordable Care Act (ACA) "Cadillac" tax is scheduled to take effect in just over two years—but the potentially severe penalties already have employers scrambling to find ways to avoid the tax's impact. For many, this means reducing the value of employer-provided coverage, making it important to understand the counts as "coverage" for purposes of the tax's threshold limit.

Practice Points

Gift of a deferred annuity to an irrevocable grantor trust: Is it an income taxable event?

Case Study on Estate Planning

Issue: For many taxpayers, the months leading up to the new "fiscal cliff" in late 2012 led to planning maneuvers designed to avoid the impending estate and gift tax rate increases—moves that transfer assets out of the taxpayer's control and into a trust vehicle for the benefit of the taxpayer's heirs...

Insurance

- Life Insurance
- Group Term Life Insurance
- Business Life Insurance
- Health Insurance
- Long Term Care Insurance
- Annuities

Employee Benefits

- Cafeteria Plans
- Compensation
- Deferred Compensation
- Dependent Care Assistance Programs
- Educational Benefit Trusts
- Employee Death Benefits

Tax Intelligence

UPDATE

Supreme Court Upholds ACA Subsidies in *King v. Burwell*

By Prof. Robert Bloink and Prof. William H. Byrnes

June 25, 2015

The Supreme Court has ruled, in a 6-3 decision, to uphold the federal subsidies available under the Affordable Care Act in all states, regardless of whether the state sponsors its own exchange.

Tax Facts

109. If deductible...
110. If a gift to...
111. How are split-dollar life insurance arrangements treated for gift tax purposes?
112. What is the advantage of the "split-gift" law where either a husband or wife gives a life insurance, endowment, or annuity contract to a third person?
113. Does an employee covered under a survivor income benefit plan make a gift of the survivor benefit for federal gift tax purposes?
114. How are life insurance policies and endowment contracts valued for gift tax purposes?

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2015 Healthcare Reform Facts – New Edition

Confidently Navigate Healthcare Reform Statutes, Decisions, Rules, Regulations, and Scores of Requirements.

Tax Tools

For your convenience, we've added a wide array of calculations and tables to Tax Facts Online. Check back often to see new additions! We welcome your suggestions for additional calculations and tables.

- Calculations and Tables
- Tax Facts At-A-Glance

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~~You Can Also Search by Keywords~~

The screenshot shows the TaxFacts ONLINE website interface. At the top left, the logo reads "TaxFacts ONLINE" with the tagline "Expert Insight & Practical Guidance From The Editors". A search bar contains the text "roth ira". To the right of the search bar is a dropdown menu labeled "This Site" and a green "SEARCH" button. Below the search bar is a navigation menu with links: HOME, INSURANCE, EMPLOYEE BENEFITS, INVESTMENTS, INDIVIDUALS & SMALL BUSINESS, MEET THE EXPERTS, and CONTACT US. A "Printer-Friendly Version" link is also visible. The main content area displays a question: "3617. Can an individual roll over or convert a traditional IRA or other eligible retirement plan into a Roth IRA?". The answer is "Yes." followed by three paragraphs of text explaining the rules for rollovers and conversions, including references to specific questions (Q 3883, Q 3625, Q 3629) and a "Planning Point" regarding 2010 conversions.

TaxFacts ONLINE
Expert Insight & Practical Guidance From The Editors

roth ira This Site **SEARCH**

HOME INSURANCE EMPLOYEE BENEFITS INVESTMENTS INDIVIDUALS & SMALL BUSINESS MEET THE EXPERTS CONTACT US

Printer-Friendly Version

3617. Can an individual roll over or convert a traditional IRA or other eligible retirement plan into a Roth IRA?

Yes.

A "qualified rollover contribution" can be made from a traditional IRA or any eligible retirement plan (Q 3883) to a Roth IRA.^[1] A rollover was not permitted prior to 2010 if a taxpayer had adjusted gross income ("AGI") of more than \$100,000 for the taxable year of the distribution to which the rollover related or if the taxpayer was a married individual filing a separate return.^[2]

Amounts that are held in a SEP or a SIMPLE IRA that have been held in the account for two or more years also may be converted to a Roth IRA.^[3]

The taxpayer must include in income the amount of the distribution from the traditional IRA or other eligible retirement plan that would be includable if the distribution were not rolled over.^[4] (See Q 3625 for taxation of amounts distributed from such IRAs.) Thus, if only deductible contributions were made to an eligible retirement plan, the entire amount of the distribution would be includable in income in the year rolled over or converted. (Special rules apply for conversions made in 2010.) While the 10 percent early distribution penalty (Q 3629) does not apply at the time of the conversion to a Roth IRA, it does apply to any converted amounts distributed during the five-year period beginning with the year of the conversion.^[5]

Planning Point: Anybody could make a Roth IRA conversion for 2010. Income from a conversion in 2010 could be recognized one-half in 2011 and one-half in 2012, rather than all in 2010.

When an individual retirement annuity is converted to a Roth IRA, or when an individual retirement account that holds an annuity contract as an asset is converted to a Roth IRA, the amount that is deemed distributed is the fair market value of the annuity contract on the date of the (deemed) distribution. If, in converting to a Roth IRA, an IRA annuity contract is completely surrendered for its cash value, regulations provide that the cash received will be the conversion amount.^[6]

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Bad Debt and Worthless Securities

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Employer-Sponsored Accident & Health Insurance Benefits

Employee Fringe Benefits

Choice of Entity and the Small Business

Business Succession Planning Small Business Valuation

Accounting

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