

Contents

General Disclaimer and Copyright	a
About the Author	b
Reminders- Recent Changes to IRA Rules and Regulations	1
Changes made by the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act)	1
A Summary of the CARES Act’s Provisions for RMD Waivers, Coronavirus Related Distributions and Loans	2
IRS Form 1099-R and Form 5498 Changes for 2020 and 2021	6
2020: Form 1099-R: Distributions for qualified birth and adoption.	6
2020: Form 5498: New repayment code.	6
2020: Form 5498: Required minimum distributions (RMDs).	7
IRS Publishes New RMD Tables	7
New Uniform Lifetime Table: Effective for distributions made after 2021.....	8
1. Summary of Operational Procedures for Setting Up Your IRA.....	9
How to set up your IRA	9
Your Right to Revoke Your IRA	11
Funding Your IRA	11
2. Checklist: Designating your beneficiary for your IRA.....	12
3. 2021 Limits for IRAs & Employer Plans	14
IRA and Salary Deferral Contribution limits if you are under age 50 as at year-end 2021	15
IRA and Salary Deferral Catch-up contribution if you are at least age 50 as at year-end 2021	15
2021 MAGI limits for deducting regular contributions to Traditional IRAs	16
2021 MAGI limits for making a regular contribution to a Roth IRA.....	16
2021 AGI limits for eligibility for saver’s credit: salary deferral and IRA/Roth IRA contributions	17
4. Traditional IRA Features and Benefits: Quick Reference Guide	18
5. Traditional IRA Funding Options: Quick Reference Guide	21
Regular Traditional IRA Contribution.....	21
Spousal Traditional IRA Contributions	22
Recharacterization of Contribution Made to Roth IRA.....	23
Deemed Traditional IRA Contribution.....	23
Payroll Deduction IRA	24
Employer-Sponsored IRA.....	24

	Rollover from qualified plans [401(a) and 403(a)], 403(b) and governmental 457(b) plans [Not a Designated Roth Account (DRA)]	24
6.	Traditional IRA Deductibility: Quick Reference Guide	27
	Eligibility to deduct regular Traditional IRA Contribution	27
	Determination of “Who Is an Active participant” in an Employer Sponsored Plan	28
7.	Roth IRA Features and Benefits: Quick Reference Guide.....	30
8.	Roth IRA Funding Options: Quick Reference Guide	32
	Regular Roth IRA Contribution	32
	Spousal Roth IRA Contributions	33
	Recharacterization of Contribution Made to Traditional IRA	33
	Deemed Roth IRA Contribution	34
	Payroll Deduction IRA	34
	Employer-Sponsored IRA	34
	Conversion from Traditional IRA, SEP IRA and SIMPLE IRA	35
	Retirement plan rollovers from qualified plans [401(a) and 403(a)], 403(b) and governmental 457(b) plans [non-Roth]	36
	Designated Roth Accounts (DRA) [Roth 401(k), Roth 403(b) and Roth Governmental 457(b)] Rollovers	38
	Military Death Gratuities and Service Members’ Group Life Insurance (SGLI) Payments	39
9.	Roth IRA vs. Traditional IRA: Quick Reference Guide	40
	Regular IRA Contribution Limits	40
	Contribution eligibility	40
	Deadline Regular IRA Contribution	41
	Eligibility to deduct contributions	41
	Age Limitation	42
	Saver’s Credit	42
	Treatment of earnings	42
	Distributions Optional Vs. Required	43
10.	Saver’s Credit: Quick Reference Guide	44
	Eligibility Requirements	44
	Eligible Contributions	44
	Credit Amount	45
	Reduction of Eligible Contributions	46
11.	Checklist for Your Regular Traditional and Roth IRA Contribution	47

12.	The Transfer/Rollover Lingo: Recommend when communicating with financial institutions and plan trustees.....	50
13.	Rollover and Transfer Permissibility: Quick Reference Guide.....	52
	Summary of rollover/transfer permitted between different type of accounts.....	53
	Rollover and Transfer Limitations for IRAs and Employer Sponsored Plans: Quick Reference	54
14.	Rollover and Transfer Rules for Nonspouse Beneficiaries: Quick Reference	60
15.	Early Distribution Penalty Exceptions: Quick Reference Guide.....	62
	Exceptions to the 10% Early Distribution Penalty ‘by Type of Account’	62
16.	Quick Reference: Substantially Equally Periodic Payments/SEPP/72(t): Quick reference Guide .	65
	SEPP Guidance	68
17.	Roth IRA Distribution: Tax and Penalty Treatment: Quick Reference	71
	Quick Reference # 1: Amounts Subject Income Tax and/or the 10% Penalty.....	71
18.	Tax and Penalty Determination on Nonqualified Distribution from a Roth IRAs: Quick Reference	74
19.	Required Minimum Distributions	76
	Accounts Subject to RMDs.....	76
	RMD Deadlines for Account Owners.....	77
	RMDs and Portability: Summary.....	79
	RMD Aggregation Rules.....	80
	RMD Related Definitions	81
	IRA RMD Calculation Formula	83
	Uniform Lifetime Table	84
20.	IRA Beneficiary Distribution Options: When the IRA Owner Died on or before December 31, 2019	85
	Traditional IRA Beneficiary Distribution Options	85
	When the IRA Owner Dies before the Required Beginning Date (RBD)	86
	When the IRA Owner Died on or after the Required Beginning Date (RBD).....	87
	Notes for Quick Reference	88
	Roth IRAs: Beneficiary Distribution Options	90
	Qualified Trust as Beneficiary.....	91
21.	IRA Beneficiary Distribution Options: When the IRA Owner Dies After December 31, 2019.....	92
	New 10-Year Rule.....	92
	Exception to the 10-Year Rule	93
	Transition rule.....	93
	IRA Beneficiary Options: Eligible Designated Beneficiary & Designated Beneficiary under the SECURE Act	93

IRA Beneficiary Options: Nondesignated Beneficiary under the SECURE Act	94
22. Qualified Charitable Distributions	95
General Rules and Requirements for Qualified Charitable Distributions	95
QCD and RMDs.....	97
QCDs and Basis Amounts.....	98
QCDs and Deductible Traditional IRA Contributions	100
23. Tax Reporting Forms and Requirements for IRAs.....	102
<i>IRS Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.,</i>	<i>102</i>
IRS Form 5498, IRA Contribution Information.....	103
IRS Form 990-T, Exempt Organization Business Income Tax Return	103
IRS Form 1042-S, Foreign Person’s U.S. Source Income Subject to Withholding	103
Form W-8CE, Notice of Expatriation and Waiver of Treaty Benefits	104
IRS Form 8606, Nondeductible IRAs.....	104
<i>IRS Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts</i>	<i>105</i>
<i>IRS Form 8880, Credit for Qualified Retirement Savings Contributions.....</i>	<i>105</i>
Appendix A. Life Expectancy Tables.....	A
Single Life Expectancy-For Use by Beneficiaries	A
Uniform Lifetime Table: For use by Unmarried Owners, Married Owners Whose Spouses Are Not More Than 10 Years Younger, and Married Owners Whose Spouses Are Not the Sole Beneficiaries of Their IRAs).....	C
Appendix B: IRS’ Guide to Distribution Codes for IRS Form 1099-R, as provided to IRA Custodians/Trustees by the IRS.	D
Appendix C: Transactions Reported on IRS Forms 1099-R and 5498.....	I
Recommended IRA Resources	J
SIMPLE, SEP, and SARSEP Answer Book, 2020 Edition.....	K
Roth IRA Answer Book, Ninth Edition.....	K