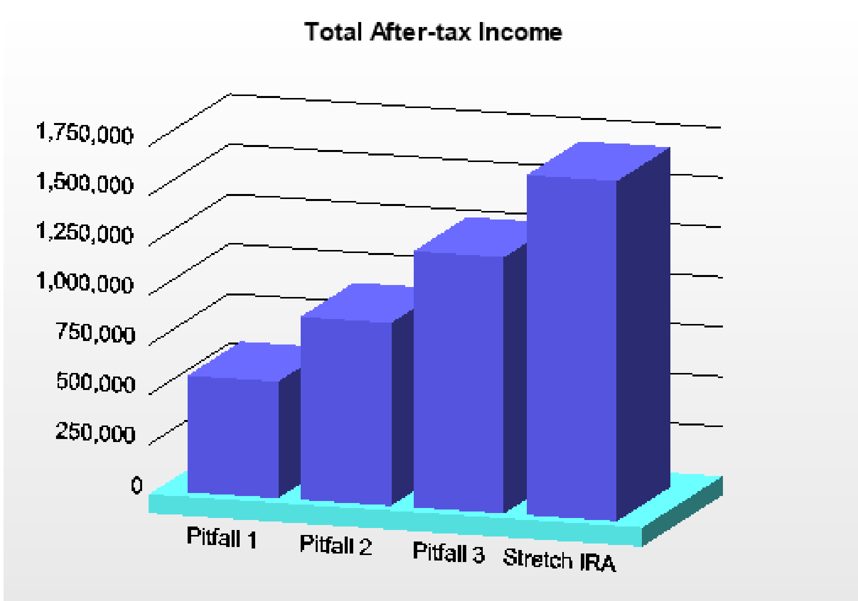
Will You Leave Your Family a Legacy or a Tax Bill?

Your IRA's chief strength is the power of tax deferral. However, tax deferral can become a huge tax liability if your beneficiaries take a distribution after your death that causes the entire balance of your IRA to be taxed. Your beneficiaries may suffer adverse tax consequences if your IRA has an inflexible custodial agreement or if your beneficiaries do not follow the advice of an expert financial advisor who knows *exactly* what to do -- and what not to do -- with your IRA assets after you die. What follows illustrates a few examples of the many pitfalls into which your beneficiaries may fall without proper planning:

	Pitfall 1	Pitfall 2	Pitfall 3	Multi-Generation
Total Distributions to Spouse	$934,149	$565,845	$565,845	$565,845
Total Distributions to Next Generation Beneficiaries	$0	$751,874	$1,223,452	$1,807,065
Total Federal Income Taxes Paid	$349,110	$399,217	$503,037	$666,448
Total After-tax Income	**$585,040**	**$918,503**	**$1,286,260**	**$1,706,462**



Pitfall 1: Spouse takes lump sum distribution
Pitfall 2: Spouse takes RMD; Next generation beneficiaries take lump sum distribution
Pitfall 3: Spouse takes RMD; Next generation beneficiaries forced to take distributions based on the life expectancy of the oldest beneficiary