

Test AMZ User
AMZ Financial
1000 Any Street
City, ST 10000

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MESSAGES from the Masters

Words by Zig Ziglar

Frequently, we become so pragmatic that we fail to be effective. Years ago the editor of the *Dallas Morning News* pointed out to the sportswriters that "Bill" was not a suitable substitute for "William," and "Charlie" was not a suitable substitute for "Charles."

Taking him literally, one of the sportswriters, in the heyday of Doak Walker of Southern Methodist University, wrote about an important game. In his story he pointed out that in the third quarter Doak Walker had left the game with a "Charles horse." I think you'll agree that the story lost some meaning with the use of "Charles."

Perhaps the ultimate absurdity occurred in an article in a national publication when the writer set up the computer to analyze Lincoln's Gettysburg Address. Incidentally, that address contains 362 words and 302 of them are one syllable. It's simple and direct, but powerful and effective.

The computer, however, made some recommendations about how the speech really should have been given. For example, instead of saying, "Four score and seven years," the computer deemed that approach too wordy and suggested, "Eighty-seven years." The efficiency in the reduction is obvious, but the loss of effectiveness, power, drama, and passion is even more obvious.

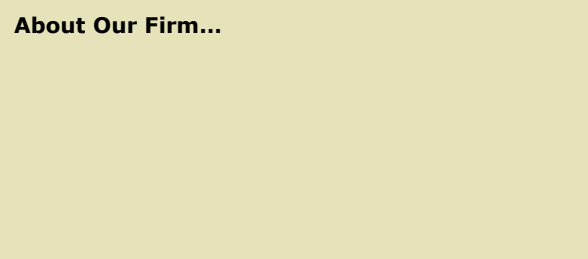
When Lincoln said, "We are engaged in a great civil war," the computer questioned whether the word great was justified. This despite the fact that our nation suffered 646,392 casualties, including 364,511 deaths. The computer stated that the sentences were too long, and it criticized the statement that we could never forget what happened at Gettysburg as being negative.

I think you'll agree that eloquence and drama, combined with passion, logic, and common sense, are far more effective in inspiring people to do great things than technical correctness.

Think about it. Knowing their power, use your words carefully. You'll be a greater contributor to humankind.

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1000 Any Street
City, ST 10000
(512) 555-1212
oquinn@fsonline.com

About Our Firm...



The objective of the required minimum distribution rule is to ensure that the entire value of a traditional IRA or employer-sponsored qualified retirement plan account will be distributed over the IRA owner's/retired employee's life expectancy.

When Must Required Minimum Distributions Begin?

In the case of traditional IRAs, required minimum distributions must begin no later than April 1 of the year following the year in which you reach age 70-1/2 and must continue each year thereafter.

In the case of employer-sponsored qualified retirement plans, required minimum distributions must begin by April 1 of the year that follows the later of (1) the calendar year in which you reach age 70-1/2 or (2) the calendar year in which you retire from employment with the employer maintaining the plan (unless the plan requires that you begin receiving distributions by April 1 of the year that follows the year in which you reach age 70-1/2).

If you wait until the year following the year in which you reach age 70-1/2 or, in the case of a qualified retirement plan, retire from employment, you must receive a minimum distribution on behalf of the previous year by April 1 of the current year, and a minimum distribution on behalf of the current year by December 31 of that year.

How Are Required Minimum Distribution Amounts Calculated?

IRS regulations regarding required minimum distributions include a "Uniform Lifetime Table" with "Distribution Period Factors." The appropriate "Distribution Period Factor," based on your age in the distribution year, is divided into your account balance as of the previous December 31 in order to determine your required minimum distribution for the current tax year.

What Happens if Minimum Distribution Requirements Are Not Met?

The difference between the required minimum distribution you should have received and the lower amount you actually received is subject to a penalty tax of 50%...an outcome to be avoided! Financial institutions report IRA distributions to the IRS on Form 5498 and are required to indicate if the IRA is subject to required minimum distributions.

May I Withdraw More Than the Required Minimum Distribution?

Yes, although minimizing qualified plan and IRA distributions may result in substantial tax savings. Consult your financial advisor for a more in-depth analysis.

NOTE: The above discussion does not apply in 2009, when required minimum distributions are suspended. Minimum distribution requirements, however, must be met again beginning in 2010. In addition, non-deductible Roth IRAs are not subject to minimum distribution requirements.

Please contact my office if you would like additional information on required minimum distributions.