ED SLOTT'S IRA ADVISOR

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TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Timing Social Security Benefits and IRA Distributions

The oldest Baby Boomers are already well into their 60s and there are millions more in their 50s that are soon to follow. Boomers are heavily represented among many advisors' clients and that trend is likely to continue as these 50- and 60-somethings begin to make decisions involving retirement dates, estate planning strategies, and when to begin taking Social Security income.

For many Baby Boomers, ongoing income is a key concern. Where will they get cash for spending money once their paychecks stop? How long will that income last and how will it be affected by taxes? What's more, today's retirees face some unique challenges. Medical advances mean longer retirements, yet traditional sources of investment income now offer low yields, with little chance of sharp increases in the foreseeable future. In such times, advisors may have to go beyond traditional thinking.

Typical Building Blocks for a Successful Plan

Of course, any financial planning strategy will vary to meet specific client needs. However, most strategies call for advisors to incorporate a few basic concepts when customizing a client's approach to retirement income.

Delaying the start of Social Security means larger cost-of-living adjustments (COLAs).

First, clients might want to wait as long as possible to start receiving Social Security retirement benefits. Waiting brings automatic lifelong increases in this tax-advantaged cash flow. In addition, delaying the start of Social Security means larger cost-of-living adjustments (COLAs), as the percentage increases are applied to a larger base amount.

Other accounts—even traditional IRAs—can be tapped to permit this deferral. Financial advisors, and especially CPAs, often shun the idea of tapping into IRA money before you have

WHAT'S INSIDE?

to, but it may not be such a bad idea if it means delaying Social Security payments.

Second, keep in mind that married couples get two Social Security checks. If clients are married, some sophisticated tactics can be fruitful.

Third, try to put as much money as possible into Roth IRAs and employer-sponsored Roth accounts. While Social Security checks offer some tax advantages, Roth accounts are especially designed to provide tax-free retirement income. Thus, moving money from traditional IRAs and other tax-deferred plans into Roth (tax-free) territory can be a key component of any plan to maximize retirement income.

When looking at all the parts of this plan, including the delayed start of Social Security benefits, it's evident that clients who are in their 60s will be directly affected. Nevertheless, planning with younger clients will help them in the future. Clients who have multiple types of investment accounts (e.g., taxable, tax-deferred and tax-free) will have increased flexibility when they have to tap those accounts for retirement spending.

Moreover, advisors should not overlook the potential benefits of Roth IRA conversions in retirement. Ideally, contributions to tax-deferred plans such as traditional IRAs should occur while clients are working and are in higher tax brackets, so the initial tax deferral will be valuable. After retirement, many clients will report lower income and might have room to "fill up" a low tax bracket. This is particularly true while both spouses are alive and a couple can take advantage of the larger brackets available to joint filers. If there's space left in a lower bracket, it can be a good time for Roth IRA conversions, considering the modest tax cost. Once clients are retired and living without earned income, they may have much more control over their taxes.

The Power in Delaying Social Security

Workers and spouses can start to receive Social Security as early as age 62, and many do. Yet there are some serious advantages to waiting until age 70, the latest practical date to begin.

By waiting, clients get what amounts to an automatic 8% annual increase, guaranteed by Uncle Sam. Suppose, for example, that John Anderson has a work history that entitles him to a Social Security check of $2,400 a month at his full retirement age.

Currently, full retirement age is 66 but, under current law, will gradually rise to 67 in the future. Someone who starts receiving Social Security benefits "early" at 62 will get a monthly benefit that's 75% of their full retirement benefit. Thus, if John starts at 62 he would get $1,800 a month (75% of $2,400) for the rest of his life, plus COLAs.

As you can see, waiting to start benefits from 62 to 66 increases John's lifelong monthly income from $1,800 to $2,400, plus COLAs. That's a 33.3% increase in lifetime income by just waiting four years, but it doesn't have to stop there. Say that John further delays his Social Security benefits until age 70. Social Security now provides a "delayed retirement credit" equal to 8% a year, if Social Security payments are further delayed after full retirement age.

By waiting, clients get what amounts to an automatic 8% annual increase, guaranteed by Uncle Sam.

Thus, John would get an automatic 32% increase, from $2,400 to $3,168 a month, by waiting until age 70 to begin receiving Social Security benefits. Comparing the results of taking Social Security "early" and "late" provides an even greater contrast. Instead of receiving $1,800 a month ($21,600 a year) by starting at age 62, John will get $3,168 a month ($38,016 a year) for as long as he lives. That's more than $16,000 of additional income, every year, guaranteed for life.

Even this difference likely does not tell the full story though, because it fails to take into account any COLA adjustments. Clients might not realize that COLAs continue, even while benefits are deferred. Indeed, the larger monthly amounts that are yet to be received will get larger COLAs, in absolute numbers. For instance, a 2% COLA applied to John's $1,800/month age-62 payments would produce an increase of $36/month in the following year. The same 2% COLA applied to John's $2,400/month age-70 payments would produce an increase of $48/month in the following year. However, that example ignores all the potential COLAs that could have accumulated between 62 and 70. If COLAs are, say, 2% or 3% a year while John waits to start benefits, his monthly checks will actually be increasing by approximately 10% or 11% per year, compounded.

Thus, delaying Social Security is a powerful tactic to protect clients against running short of money over a long retirement. Unless a client is in poor health, with a short life expectancy, patience can pay off.

Spending Down IRA Money to Delay Social Security Can Lower Future Tax Bills

One reason that clients might not want to wait to start Social Security is that they might need the money after they stop working. In such a situation, they should tap their IRAs for spending cash, contends Mark Lumia, who heads True Wealth Group in The Villages, Florida.

"Most retirees take Social Security before age 65 and start using their IRA money after age 70½," Lumia says.

"That is the exact opposite of what most retirees should actually do."

According to Lumia, retirees living on Social Security benefits in their 60s may owe little or no tax on those benefits. However, once those clients start taking required minimum distributions (RMDs) from their IRA in their 70s, they may owe tax on their IRA distributions and on their Social Security benefits.

Mark R. Lumia CFP®, ChFC, CASL
True Wealth Group, LLC
The Villages, FL

"Replacing a dollar of IRA withdrawals with a dollar of Social Security benefits can actually reduce AGI by $1.425."

This has been called the "tax torpedo." Lumia suggests reversing course and actually paying less tax by tapping IRAs while a client is in his or her 60s, and waiting until 70 to start Social Security. This, he says, can result in a much lower tax bill.

To make his point, Lumia provides the example of a married couple that wants $97,000 a year in retirement income and plans to fund that amount with Social Security benefits and/or IRA withdrawals. Suppose they choose to start Social Security at 62 and, after factoring in annual 2.8% COLAs, are receiving $40,000 in combined benefits at 70.

To fill out their cash flow needs at 70, the couple would need to withdraw $57,000 from their IRAs. According to Lumia, this couple would report $34,000 of their Social Security benefits as the taxable amount—the maximum that could be taxed—and the couple would have $91,000 in adjusted gross income (AGI). They would owe about $9,500 in federal income tax, assuming no other taxable income or itemized deductions.

On the other hand, suppose that instead of taking Social Security at 62, the couple delayed receiving Social Security until they were 70. Now, at 70, the same couple would receive just over $70,000 in Social Security benefits, roughly 75% more than in the previous scenario. Now, they'll only need about $27,000 a year from their IRA. In this second scenario, just over $21,000 of their Social Security benefits will be taxable. The couple's AGI will a bit higher than $47,700 and their federal income tax will be about $3,000. When compared to the tax bill at the same age, but where Social Security began at 62, this method saves the couple about $6,500 in taxes.

Of course, if Social Security is taken at a younger age, it means that less IRA money is needed to make up living

Timing Social Security Benefits and IRA Distributions

Summary of Key Points

- Delaying the start of Social Security benefits can significantly increase a tax-advantaged source of lifelong income.
- Workers and spouses can begin collecting Social Security as early as 62, but will receive a monthly benefit of only 75% of what they would receive at full retirement age (currently 66), not counting COLAs.
- Clients delaying Social Security beyond full retirement age will receive an 8% increase in benefits per year, on top of COLA adjustments, until age 70.
- Some strategies call for clients to tap into IRAs while in their 60s, to allow them to wait until age 70 to start Social Security.
- Taking funds from IRAs or other taxable sources early in retirement can cost more in taxes early on, but it's generally a temporary and relatively short-term cost when compared to the long-term advantages.
- The taxation of Social Security benefits is based on "combined income," which is calculated by adding a client's tax-exempt interest and half of Social Security benefits to their AGI.
- Unlike tax-exempt interest, "combined income" does not count Roth IRA distributions as income.
- Married couples can take advantage of more sophisticated Social Security planning tactics, such as "free spousal benefits." Doing so can provide for some income at a younger age while allowing other benefits to increase unaffected.
- Clients should consider "filling up" low tax brackets early in retirement with Roth conversions.
- Single clients may not be able to use the same sophisticated Social Security planning strategies as their married counterparts but should, nevertheless, determine if taking IRA distributions early in retirement to delay Social Security benefits makes sense.

expenses during the couple's early retirement years, lowering both their AGI and tax bill in those years. The savings, however, is not nearly as dramatic as one might expect. In fact, given the same facts as discussed above, the additional tax burden to the couple at 62 as a result of not taking Social Security is just about $1,200. So while taking funds early in retirement from IRAs or other taxable sources could cost more in taxes early on, it is generally a temporary and relatively short-term cost when compared to the long-term advantages of delaying Social Security until age 70. Taking IRA distributions earlier would also lower future required minimum distributions.

To determine combined income, seniors include adjusted gross income (AGI) as well as supposedly tax-exempt interest income. Half of their Social Security benefits also count.

Another scenario provided by Lumia, where a couple wants $69,000 a year in retirement, provides similar results. By delaying Social Security, a couple's AGI at age 70 falls from about $62,000 to around $40,000, and their income tax obligation drops by more than $3,200.

There is another point worth noting here. These projections assume the tax rates remain the same. If you ask most clients whether they think taxes are likely to go up, go down, or remain the same, you might be surprised how many think their taxes will rise. If that happens, the tax savings in later retirement years, resulting from waiting to receive Social Security until 70, would be even more pronounced.

Understanding the Tax Advantages of Social Security Benefits

Why do these couples owe so much less tax on so much more Social Security income? And why is their overall tax bill so much smaller? It boils down to the fact that the taxation of Social Security benefits is based on "combined income," once known as (and still often referred to as) "provisional income." To determine combined income, seniors include adjusted gross income (AGI) as well as supposedly tax-exempt interest income. Half of their Social Security benefits also count.

"The calculation counts nearly all of a taxpayer's income, dollar for dollar," Lumia says. "However, qualified Roth IRA distributions don't count and half of Social Security benefits are excluded." Thus, each pre-tax dollar withdrawn from a traditional IRA counts as a dollar in a client's combined income, but each dollar paid by Social Security counts as only 50 cents. Therefore, increasing a dollar of Social Security income, while reducing a dollar of traditional IRA income, lowers AGI. "Replacing a dollar of IRA withdrawals with a dollar of Social Security benefits can actually reduce AGI by $1.425," Lumia says.

A lower AGI, in turn, shrinks combined income and may dramatically reduce the taxable amount of Social Security benefits. Consequently, a client's overall tax bill might be much lower, as Lumia's example illustrates.

It's true that some seniors' total income is so high that they'll still owe the maximum tax on Social Security benefits, even if they delay until age 70. Still, their monthly Social Security benefit will almost double, if they postpone starting from age 62 to age 70. Furthermore, under current law no more than 85% of Social Security benefits are ever taxed, so replacing IRA withdrawals with higher Social Security checks always will have some tax advantage.

In addition, one strategy that many clients can pursue, at virtually any age, is to fill up low tax brackets each year with partial Roth conversions. The less money they have in their traditional IRAs at age 70½, the lower their RMDs will be, and the less chance they'll be hit by the "tax torpedo."

If clients have access to an employer-sponsored Roth 401(k) or a similar plan, they might consider contributing to that version rather than to a traditional tax-deferred plan. Roth accounts are especially appealing to younger clients with relatively low current tax rates and more years to build up a tax-free account.

Using Advanced Social Security Tactics to Maximize Lifetime Income

As Lumia's examples illustrate, many clients are married couples, receiving two Social Security checks. Advisors should know some of the basic tactics that couples can use to boost benefits.

Dean Barber
Barber Financial Group
Lenexa, KS

"Some Social Security strategies allow a spouse to claim only spousal benefits, allowing their own benefits to continue to increase."

Dean Barber of Barber Financial Group in Lenexa, Kansas and coauthor of ***Social Security Essentials*** (2013), provides an example in which both a husband and wife have reached their full retirement ages. John qualifies for a $2,400 monthly benefit at full retirement age, while his wife Mary would qualify for $1,200 a month based on her own work history. "Both spouses could defer benefits until age 70, using money in their taxable account to live on," Barber says. "I don't think that's the best plan, though."

Instead, the higher-earning spouse, John, can exercise a claiming strategy called "file-and-suspend" at his full retirement age of 66 or later. That means he tells Social Security to trigger benefits for his wife, but defer collecting his own until later. Assuming Mary is also at her full retirement age of 66, she can restrict her claim to spousal benefits only. That would entitle her to half of John's retirement age benefits while her own benefit continues to grow.

This "file-and-suspend" method allows John to earn 8% annual increases for waiting until age 70. Meanwhile, Mary collects spousal benefits, Barber points out. She'll get $1,200 a month, 50% of John's full retirement age benefit, plus annual COLAs, for the next four years. "Mary's own benefit will continue to increase until age 70," Barber says. "She can start to receive benefits on her own work history then, which will be $1,584 a month, plus COLAs."

This tactic, known as collecting "free spousal benefits," works only if Mary waits until her full retirement age to start.

This tactic, known as collecting "free spousal benefits," works only if Mary waits until her full retirement age to start. If she starts earlier, her benefits will be reduced and she will not be able to select spousal benefits only. She won't be able to defer to let her benefits grow.

The plan outlined by Barber provides spousal benefits for four years while enabling both spouses to ultimately receive maximum, tax-advantaged Social Security benefits. Couples following this plan receive an estate planning payoff, too. When the first spouse dies, the lower Social Security benefit disappears. The survivor, either John or Mary, will continue to get John's $3,168 a month, plus COLAs, no matter how long the widow or widower lives.

How to Supplement Income in the Early Years

If John defers his Social Security benefit until 70 and Mary starts with a smaller benefit at 66, how will the retired Andersons pay their bills in their 60s? Barber's illustration assumes they have a taxable account to tap as well as a traditional IRA.

To make this simple, the Andersons have neither net gains nor net losses in their taxable account. They can tap their taxable account for money to live on during their 60s. After Mary starts to receive her spousal benefit at age 66, they'll withdraw less from their taxable account.

With no net gains or losses in their taxable account, the Andersons will have little or no taxable income each year from spending down that account. Therefore, Barber suggests they also convert part of their traditional IRA to a Roth IRA each year. "They can have just over $70,000 of taxable income each year and stay in the 15% tax bracket," Barber says. Converting $70,000 a year would trigger about $10,000 in tax each year, which would come from the taxable account. Of course, in real life, the taxable account is likely to produce at least some capital gains or losses, and/or interest and dividends. This would impact the amount of conversion income that could be added while keeping the clients in the 15% tax bracket.

"Depending on specific numbers," Barber says, "this couple might owe just about the same amount in tax, from age 62 to age 70, as they would owe if they had started Social Security early. However, if they go into their 70s with their traditional IRA fully converted to a Roth IRA while delaying Social Security, they could collect maximum Social Security and supplement those checks with tax-free Roth IRA withdrawals. They would owe no tax on any of their income because tax-free Roth IRA withdrawals don't count when you calculate the tax on Social Security income."

After both spouses die, any amounts left in the Roth IRA can pass to the Andersons' children who can then take tax-free distributions of their own.

Planning for Single Clients

Most of the more sophisticated Social Security planning strategies involve clients that are married. Other strategies are available for those either divorced or widowed, but when it comes to clients who are single, it's generally a pretty straight forward analysis of get less sooner vs. wait and take more. Certainly the same analysis of determining whether it pays to spend down IRA money sooner to delay benefits should be done though. In such situations, keep in mind that while single clients may have lower living expenses, they also only get one Social Security check and generally use the single filer tax brackets as opposed to the joint brackets.

Advisor Action Plan

- Explain to clients the advantages of delaying Social Security benefits, perhaps until age 70, as long as poor health is not an issue.

- If cash flow is needed, evaluate whether it makes sense to tap into IRAs, Roth IRAs and/or taxable accounts in order to delay Social Security benefits longer.

- Caution married couples about starting Social Security before age 66. This will reduce lifelong cash flow and prevent these couples from using some sophisticated strategies.

- Evaluate whether advanced Social Security strategies, such as "free spousal benefits," may benefit married couples.

- Consider partial Roth IRA conversions each year, to fill up low tax brackets. ■

Poorly Drafted Spousal Waiver Results in Windfall for Soon-to-be Ex

MidAmerican Pension and Employee Benefits Plans Administrative Committee v. Michael G. Cox, Sr., et al., No. 12-3563

U.S. Court of Appeals, 8th Circuit
July 12, 2013

The 8th Circuit Court of Appeals ruled that a surviving spouse's promise to waive her rights to her husband's 401(k) funds by signing a postnuptial agreement was invalid because the agreement was written incorrectly. As a result, she didn't waive her rights and inherited the money that was supposed to be paid to her husband's parents.

Facts of the Case

Michael Cox worked for MidAmerican Energy Corporation and participated in the "MEC 401(k)." Between 1997 and 2004, Michael and Kathy Cox had been twice married and divorced. In September 2004, while he was single, Michael named his parents as the beneficiaries of his MEC 401(k). Afterwards, in 2010, Michael and Kathy remarried each other for the third time. What can you say? Some people are just gluttons for punishment!

Before the third marriage however, the couple signed a prenuptial agreement. Apparently, for some reason they had some concerns about whether the marriage was going to last. To the couple's credit, or perhaps to that of their advisors, they knew that a prenuptial agreement could not be used to waive spousal rights in a 401(k) plan. So, three weeks after they were remarried, they re-executed the same prenuptial agreement on March 26, 2010. At this point the prenuptial agreement was now a postnuptial agreement. They both signed the prenuptial and postnuptial agreement and their signatures were notarized.

Kathy never acknowledged the effect of signing a waiver, which is required under ERISA.

The agreement said that in the event the marriage ended, they each waived their rights to each other's property. With respect to Michaels's 401(k), the agreement specifically stated that Michael's 401(k) would remain his, and that Kathy disclaimed all rights to it, and agreed not to seek a qualified domestic relations order (QDRO) in a future divorce with respect to the 401(k) plan.

The postnuptial agreement also addressed Kathy's rights under ERISA (Employee Retirement Income Security Act) as a surviving spouse beneficiary of Michael's 401(k). It said that Kathy irrevocably consented to any change in beneficiary or form of benefit payments, without requiring her further consent. It also said she agreed to consent, in writing, to waive her rights to his retirement assets at any time.

A little over a year after their third remarriage, Michael filed for divorce on May 4, 2011. Apparently, after a while enough really is enough. The divorce documents referenced the postnuptial agreement he and Kathy had signed, and requested that their property be divided according to it. However, Michael died seven days later on May 11, 2011, before the divorce was finalized. At the time his most recent marriage to Kathy had been for more than one year.

After his death Michael's parents and Kathy argued over who should receive the 401(k) funds. The 401(k) plan administrator believed the parents should get the money and sent Kathy a letter to sign a waiver to any rights in the 401(k) plan. She refused to sign that waiver. The plan administrator then filed an "interpleader" action in which it asked the Court to decide who should get the money.

District Court's Decision

The District Court ruled that the postnuptial agreement was not effective to waive Kathy's rights to the 401(k) funds. Despite the various provisions of the agreement, Kathy never acknowledged the effect of signing a waiver, which is required under ERISA. As a result, the Court said Kathy didn't properly waive her rights to Michael's 401(k) and awarded the funds to her as his surviving spouse. Michael's parents disagreed with that, so they appealed the decision.

U.S. Court of Appeals' Decision

The U.S. Court of Appeals for the 8th Circuit agreed with the District Court. It too, reasoned that Kathy was entitled to Michael's 401(k) funds because she never properly waived her rights to it, despite signing a postnuptial agreement that was intended to waive those rights.

In analyzing the case, the Court of Appeals said that ERISA governs the distribution of Michael's 401(k) plan. Under ERISA, surviving spouses are automatically entitled to retirement benefits. However, a married plan participant can name someone other than his spouse as the beneficiary, but only if many strict rules under ERISA are met.

The postnuptial agreement contained several broad waivers regarding the 401(k) plan. For example, in one provision, Kathy irrevocably consented to Michael's change of beneficiary without the need for her to give further consent. However, viewed as a whole, the Court noted that the agreement was unclear whether Kathy had waived her rights at all. The agreement said that Kathy promised to execute a waiver or consent to a change of beneficiary when requested to. The Court read this to mean that Kathy had agreed to a waiver or consent in the future – if and when asked to. The only time she was asked to waive her rights was after Michael died and the plan administrator sent her a waiver, which she refused to sign.

Because the agreement wasn't written properly, the soon-to-be-but-not-yet ex-wife got everything.

The Court also said the agreement did not meet the strict acknowledgement rules of ERISA because it failed to inform Kathy, in clear terms, that she had a right to receive the 401(k) funds and that she was waiving that right. Those ERISA rules are intended to protect spouses against the risk of unknowingly waiving their rights. The agreement (which the Court refers to as an "antenuptial agreement") failed to include an acknowledgement of the effect of the waiver. In other words, the agreement failed to make clear that, by executing a waiver, Kathy would not receive the retirement funds that she would otherwise be entitled to.

From the Court of Appeals

"'[A]ny waiver of retirement benefits by a spouse must strictly comply with the consent requirements set forth in ERISA.' Lasche, 111 F.3d at 867. '[T]he formalities required in §1055(c) are included to protect against the risks of a spouse's unwitting waiver of [the spousal rights conferred by §1055(a)].' Hagwood v. Newton, 282 F.3d 285, 290 (4th Cir.2002) (citation omitted). Given ERISA's strict compliance requirements, we conclude that the antenuptial agreement did not contain an acknowledgment by Kathy sufficient to satisfy §1055(c)(2)(A)(iii). Accordingly, Michael's designation of his Parents as beneficiaries of the MEC 401(k) Plan must yield to Kathy's rights as surviving spouse."

Postnuptial Agreement to Waive Spousal Rights

Basically, the couple tried to properly execute a valid postnuptial waiver, but didn't. Because the agreement wasn't written properly, the soon-to-be-but-not-yet ex-wife got everything. It's not known whether the postnuptial agreement was written or reviewed by an ERISA attorney, but in light of the fact that it was missing such a key provision, one would hope not. Oftentimes clients don't want to involve multiple professionals because they don't want to incur any added costs. However, this case illustrates that position is often penny wise and pound foolish. What good is an agreement that isn't written correctly and doesn't accomplish what it is supposed to? Whoever drafted and/or reviewed the Cox's agreement didn't understand the ERISA spousal waiver rules and the strict formalities needed in that agreement for a spouse to waive their rights.

The Court didn't say that a postnuptial agreement can never be used as a valid spousal waiver and consent, but rather, that this particular agreement was invalid. In hindsight, rather than executing a postnuptial agreement, Michael and Kathy probably should have executed the 401(k)'s own documents for Kathy to waive her spousal rights. This would have cost them nothing and those documents were very likely written correctly and would have properly waived Kathy' rights to Michael's 401(k), as they had intended to do.

Is There Any Recourse Against Kathy?

Clearly Kathy intended to waive her rights to Michael's 401(k), as evidenced by her signing the postnuptial agreement. She got lucky that the agreement wasn't written properly and was awarded the money on a technicality. But do Michael's parents have recourse against her? Maybe. While the Court didn't mention it, there could be a case against her to recover the funds based on her prior contractual agreement (the postnuptial agreement) to waive her rights.

Similar cases have been brought after spouses have been awarded plan assets after attempting to waive their rights through other documents, such as a prenuptial agreement which, by their very definition, can't be used to waive spousal rights. Only a spouse can waive rights to an ERISA plan and if you are signing a prenuptial agreement, you aren't a spouse yet. One can also imagine a scenario where the drafter of the Cox's pre/postnuptial document also faces legal action. That thought should serve as a warning to advisors to make sure they involve the appropriate professionals when dealing with client issues if they do not possess enough specialized knowledge themselves.

Advisor Action Plan

- Remember that only a spouse can waive ERISA rights. Prenuptial agreements are not valid for this purpose.

- Emphasize caution when clients use postnuptial agreements to waive spousal rights to a company plan. Postnuptial agreements can waive spousal benefits, but only if the agreement meets the strict requirements of ERISA.

- Use an ERISA attorney to ensure a postnuptial agreement is written correctly.

- Suggest that a couple sign a plan's own documents to waive spousal rights instead of, or in addition to, using a postnuptial agreement.

- Suggest that clients think long and hard before marrying the same person for a third time! ■

ED SLOTT'S IRA Advisor

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