



**The Bond Law Firm**  
*Serving Houston Families Since 1994*

## Big, Bad **Change** on IRAs

**Big, Bad Change on IRAs!** In December, the *Congress changed the rules on inherited IRAs!* For twenty years, at least, we have been talking about the desirability of “stretching” IRAs out for our clients’ children. The “stretch” allowed our children (a non-spouse beneficiary) to take distributions over the life expectancy of the beneficiary. A thirty-something son or daughter who inherited an IRA from a parent could potentially take distributions from the IRA for 50 years while the undistributed part continued to grow tax deferred or tax-free in the case of a Roth IRA! Most of the Bond Law Firm clients were very interested in this prospect for their children or beneficiaries. But Congress has changed that long-held expectation with this act, and this is a breach of faith with the savers, and people who were thinking of adding to their retirement plans or creating Roth IRAs. Savers will think twice now about trusting the government to maintain tax-planning benefits like this.

**The Congress in its wisdom** says that retirement plans were never intended as a wealth transfer strategy. They are for the individual and his or her spouse. They say that relatively few people have retirement accounts that would be large enough to provide decades of withdrawals. And, here is a telling point, the government says very few retirement accounts actually last for any great length of time after inheritance because the beneficiaries take the money more quickly! In other words, the children want and take the money a lot quicker frustrating the hopes of the mother or father. *My experience with estate planning suggests that is unfortunately true!*

**What does this do to your estate planning?** The IRS will write regulations about this change. Those may affect the language we used in your trust, but we won’t know for a while. We will keep you informed on that. *However, if you were relying on the idea of the “stretch” IRA providing a long-term benefit for your children, it’s time to review your options.* Come to our Workshop, Overcoming the Obstacles to a Successful Retirement and Family Legacy to get the big picture or call to schedule an appointment to review your estate plan.

**Creating a Long-Term Legacy is not just about your estate planning documents,** it’s about your concept for the handling your life savings. It is about communicating an idea and implementing it in coordination with your spouse and children. *Even with the best of intentions, most families do a very poor of this!* I created Bond Wealth Planning & Investments, PLLC because so many families miss the opportunity to grow their life savings and pass it on so that it lasts for their descendants. What a shame!

This long bull market makes families complacent about their investments. This the perfect set-up for crushing losses and disappointment. It happened with Tech Bust in 2002. It happened in Crash in 2008. Someday, it will happen again. If you want to review the situation, make an appointment to see me or come to the Workshop I mentioned earlier please call my office at (281) 448-4100.

**Overcoming the Obstacles to a Successful Retirement and Family Legacy**  
**Wednesday, February 26, 2019 at 1:30 pm**  
**Wednesday, March 25, 2019 at 1:30 pm**

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