

Handling a lump-sum payout from a retirement plan

One of the most vexing problems faced by many is how to take out the money from a retirement plan. The question is complicated and should be addressed only by a qualified professional.

The choices

The accompanying chart shows the choices available to a retiree. The Tax Reform Act of 1984 added further options to the distribution of retirement funds. These include the following:

- Life expectancy can be recalculated each year.
- Distributions can be paid out to the retiree and a beneficiary who need not be the spouse.
- Partial distributions from a qualified plan can be rolled over tax-free into an IRA.

Magle of roll over into IRA

If a retiree rolls over his or her retirement money into an IRA, he or she defers the tax but loses the 10-year forward averaging privilege. However, there is a way to salvage this permanent loss.

The retiree must establish a separate conduit IRA for the distribution and keep it from mixing with any other IRA accounts. Later, he can roll it into the qualified plan of another employer or, if he sets up a business, his own qualified retirement plan. Through this mechanism he regains the 10-year forward averaging privilege.

The bottom line

Decisions about plan pay-outs take time, knowledge and careful plan-

finances and you

Sid Mittra



ning. Each case is different, and creative solutions to individual problems are required to maximize the advantages associate with a qualified retirement plan payout.

Consult your financial planner for a solution to your unique problem.

cial Planning Inc. 7-9:30 p.m. Thursday, May 15. The seminar will be held at the Bloomfield Township Library, 1099 Lone Pine, Bloomfield Hills.

For registration, call 643-8888.

Sid Mittra is director of certificate program in personal finance at Oakland University and president of Coordinated Financial Planning Inc. in Troy.

(1) Withdrawal of accumulated balance in the qualified plan in the form of a lump-sum payment

Roll over into an IRA

10-year special averaging

(2) Periodic distributions in the form of a single-life, or joint-life, annuity

(3) Periodic distributions over a period not to exceed the life expectancy of employee and beneficiary

datebook

GROUNDBLASTING

Thursday, May 1 — Ground will be blasted at 9:30 a.m. for the Radisson Plaza Hotel to be built at Prudential Town Center in Southfield.

SMALL BUSINESS FAIR

Thursday, May 1 — Small business trade fair offered from 9 a.m. to 4 p.m. in Detroit. Fee: \$25. Information: 964-4000. Sponsor: Greater Detroit Chamber of Commerce.

DIRECT MARKETING

Thursday, May 1 — Direct Marketing Association of Detroit meets. Information: 961-9720.

RUN A BUSINESS

Thursdays, May 1-June 5 — "How to Run a Successful Small Business" offered 7-10 p.m. in Troy. Fee: \$225. Information: 442-4220. Sponsor: Michigan State University, Small Business Management School Inc.

FINANCIAL PLANNERS

Saturday, May 3 — Annual conference of Southeast Michigan Chapter of the International Association for Financial Planning from 8 a.m. to 4:30 p.m. in Rochester. Information: Denise Swiger, 827-7180.

IBM PC

Saturday, May 3-24 — "For Beginners: The IBM PC" offered from 10 a.m. to 1 p.m. in Rochester. Fee: \$15. Information: 370-3120. Sponsor: Oakland University.

PCS FOR MANAGERS

Monday, May 5 — "Introduction to Personal Computers" offered from 8:30 a.m. to 4:30 p.m. in Detroit. Fee: \$15. Information: Claudia, 577-4419. Sponsor: Wayne State University management center.

SUPERVISOR LEADERSHIP

Monday, May 5 — "Motivation Through Feedback" offered from 9 a.m. to 4 p.m. in Detroit. Fee: \$150. Information: 342-3700. Sponsor: Employers Association of Detroit.

GRAND OPENING

Monday, May 5 — Grand opening of Silver Triangle Office Building 10 a.m. in Southfield. Information: 355-3150.

MONEY FOR COLLEGE

Tuesday, May 6 — Workshop begins at 7 p.m. in Birmingham. Fee: \$3. Information: 642-6733. Registration: 642-4010. Sponsor: Birmingham community Education Department, Harry M. Gordon & Co.

COMMUNICATORS SEMINAR

Wednesday, May 7 — Professional development seminar of "Corporate

Spokenmanship" offered 5:30-9 p.m. in Southfield. Fee: \$15. Reservation deadline: May 1. Sponsor: International Association of Business Communicators.

TROUBLED EMPLOYEES

Wednesday, May 7 — "Dealing with the Troubled Employee" offered from 8:30 a.m. to 4:30 p.m. in Detroit. Fee: \$150. Information: 342-3700. Sponsor: Employers Association of Detroit.

TELEMARKETING

Wednesday, May 7 — "Successful Telemarketing Strategies" offered from 9 a.m. to 4 p.m. in Detroit. Fee: \$150. Information: 342-3700. Sponsor: Employers Association of Detroit.

PERSONAL FINANCES

Wednesday, May 7, 14 — "How to Create Your Own Personal Financial Plan" begins at 6:30 p.m. in Southfield. Fee: \$25. Information: 642-6733. Sponsor: Harry M. Gordon & Co.

LOTUS SYMPOHY II

Wednesday, May 7-28 — Lotus Sympony II Intermediate course offered 7-9 p.m. in Bloomfield Hills. Fee: \$75. Information: Joanne Kramel/plan, 645-3635. Sponsor: Branbrook Schools.

HEALTH CARE

Thursday, May 8 — Health care conference for certified public accountants begins at 8:30 a.m. in Bloomfield Hills. Fee: \$75. Information: 655-2388. Sponsor: Michigan Association of Certified Public Accountants, Healthcare Financial Management Association.

COLLECTIVE BARGAINING

Thursday, May 8, 15 — "Fundamentals of Collective Bargaining" offered from 9 a.m. to 4 p.m. in Detroit. Fee: \$200. Information: 342-3700. Sponsor: Employers Association of Detroit.

MEDICAL MARKETING

Friday, May 9 — "Medical Advertising/Marketing," a day-long series of seminars, will be offered to health care professionals in Farmington Hills. Fee: \$190. Information: 552-1413. Sponsor: Health Care Marketing Services Inc.

REAL ESTATE EXECUTIVES

Friday, May 9 — Michigan Chapter of

the National Association of Corporate Real Estate Executives meets at 11:30 a.m. in Southfield. Information: Leonard Norman, 270-1003.

BUSINESS PLANNING

Saturday, May 10 — A one-day workshop, "The Business Plan," will be offered from 9:15 a.m. to 3:30 p.m. in Detroit. Fee: \$45. Information: 577-4468. Sponsor: Wayne State University.

GRE PREPARATION

Saturday, May 10-31 — Graduate record examination preparation workshops offered from 9 a.m. to 3 p.m. in Rochester. Fee: \$95. Information: 370-3120. Sponsor: Oakland University.

COMMUNICATION

Tuesday, May 13 — "Building Effective Managerial/Subordinate Communications" seminar in Detroit. Fee: \$125. Information: 577-4665. Sponsor: Wayne

State University College of Lifelong Learning.

SECRETARIAL SEMINARS

Tuesday, May 13 — Half-day seminars on "Your Professional Image" and "Effective Telephone Communications" offered from 9:15 a.m. to 4:30 p.m. in Southfield. Fee: \$89. Information: 358-2151. Sponsor: Office Management Consultants.

MORNING WITH MASSEY

Tuesday, May 13 — "A Morning With Morris Massey" offered from 9 a.m. to noon in Detroit. Non-member fee: \$85. Reservation deadline: April 29. Information: Sponsor: Employers Association of Detroit.

LIABILITY LAWS

Tuesday, May 13 — "Liability in 1986 — Problems and Solutions" seminar and luncheon offered for insurance company

employees from 9:30 a.m. to 4 p.m. in Southfield. No charge. Information: 626-5000.

WOMEN'S ECONOMIC CLUB

Tuesday, May 13 — Women's Economic Club meets in Detroit. Information: 963-5083.

FINANCING

Wednesday, May 14 — "Financing: Making the Right Choice for Your Growing Company" teleconference offered 1-4 p.m. in Detroit. Fee: \$135. Information: (312) 648-9006. Sponsors: Arthur Young & Co., Public Broadcasting Service.

SECRETARIES

Wednesday, May 14 — "The Professional Secretary" offered from 8:30 a.m. to 12:30 p.m. in Detroit. Fee: \$115. Information: 342-3700. Sponsor: Employers Association of Detroit.

REAL ESTATE WOMEN

Wednesday, May 14 — Commercial Real Estate Women Inc. meets at 7 p.m. in Southfield. Information: Cecé Sharp, 559-2000.

AD ASSOCIATION

Thursday, May 15 — Business Professional Advertising Association of Detroit meets. Information: R.P. Murphy, 583-9300.

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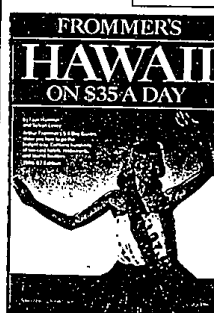


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