

Ten Questions to Ask an Advisor



Not all financial advisors are equal. With various and often confusing industry titles and services, most advisors lack the expertise on helping with the “second half” – or distribution planning. How do you know if you have the right advisor? Your advisor should have recent, specialized training and knowledge in distribution planning. 99% of advisors do not know this information*, and traditional brokers, banks and call centers may not be reliable. Here are ten questions you need to ask your advisor.

1. Do you have experience in distribution planning?
2. What books have you read on the topic?
3. What professional training courses are offered in retirement plan distribution at your firm? What courses have you taken? Show me the last course manual you have.
4. How do you stay current on key IRA tax rules? What services or resources do you rely on to stay up to date?
5. What is the latest IRA or retirement account tax rule that you are aware of?
6. How do you determine the best option for lump-sum distributions? (NUA's rollovers, trustee-to-trustee transfers, 10 year averaging, or benefits of rolling to IRA or stretch IRA's.) There are basically four choices:
 1. leave the money in the company plan,
 2. bring it to a new company if you change jobs,
 3. roll it into an IRA,
 4. or take a lump-sum distribution.
7. How would you keep track of my IRA or other retirement account beneficiary form? What system do you use? (Presidential Brokerage will digitize all your important documents and provide you a copy in disc form and allow you (and people you permit) to access your documents by on code-protected internet storage.)

* According to Ed Slott – one of the nation's leading IRA distribution experts – only about 1% of advisors have the necessary training and expertise.

8. Can you show me the IRS life expectancy schedule?
9. Do you know what will happen to my IRA or other retirement accounts after I die? (They should tell you something about beneficiary forms and how to stretch your account to grow over multiple generations.)
10. Who do you turn to when you have questions on IRA distribution planning? (They should name *someone*, as nobody can know everything.)

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