

President's New Budget Targets Retirement Accounts

President Obama's Budget for fiscal year 2016 was unveiled to the American public earlier this month. This year's version of the budget, as usual, included a number of provisions targeting retirement accounts. If these are approved by Congress and become law, your retirement plans could be affected greatly.

Retirement & Estate Planning



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- **Create a 28% Maximum Tax Benefit for Contributions to Retirement Accounts:**

This proposes to change the law to cap the amount of the tax deduction you get on pre-tax retirement contributions to 28%.

- **Establish a Cap on Retirement Savings Prohibiting Additional Contributions:**

This proposal essentially would put a maximum cap on the amount of money that you are allowed to save in tax-favored retirement accounts.

- **Mandatory 5-Year Rule for Non-Spouse Beneficiaries:** This proposal would eliminate the tax savings 'Stretch IRA' rule.

- **Eliminate the Special Tax Break for Net Unrealized Appreciation:** This proposal would eliminate one of the biggest tax breaks in the entire tax code for retirement accounts.

- **Limit Roth Conversions to Pre-Tax Dollars:** This proposal would eliminate the ability to convert after-tax money in your traditional IRA or employer-sponsored retirement plan to a Roth IRA.

Obviously the Government needs additional funds, and these proposed budget changes are an attempt to increase revenues. However, you do not have to just sit back and accept it, and suffer the consequences. There are some things you can do now to help reduce or eliminate the effects that these proposed changes could have on your personal retirement plans.

To learn more on these and some additional proposed tax law changes that could directly affect your retirement plan, as well as what you can do to protect yourself, make sure you tune into the **It's Your Money Show** next week. The show airs on WMEQ (880 AM) on Thursday at 7:30am and Saturday at 9:00am, as well as on WWIB (103.7 FM) on Wednesday at 7:30pm and Saturday at 5:30pm. You can also obtain this information and independent advice for your specific situation by contacting me at **(715) 835-6022** or **info@KeyStoneCV.com**, or through our website, **www.KeyStoneCV.com**.

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