



ARE YOU SHOWING A PROFIT, YET HAVE NO MONEY IN THE BANK?

Your numbers are trying to tell you something.

If you only take a close look at your numbers annually or even quarterly, you could be missing a serious gap in your accounting practices.

Controller onDemand creates an effective accounting process that delivers an accurate financial picture to our clients all year long – not just at tax time.



www.controller-ondemand.com | 484.366.6202



O'Donnell, Weiss & Mattei, P.C.

Your Life. Your Business. Your Law Firm.

The OWM Law Business, Banking & Real Estate Team:
James C. Kovaleski, Gary L. Stein, Michael B. Murray, Jr., Joseph K. Koury,
John A. Koury, Jr., Henry T. Zale, David A. Megay



OWM Business Lawyers handle all phases of Business including Start-up or Purchase, Contract Negotiations, Financing, Employment Issues, Succession Planning & Dissolution. OWM Real Estate Attorneys handle Commercial Development, Residential Transactions, Tax Assessment Appeals, Title Insurance, Municipal, Zoning & Land Use. Whatever your legal needs are, OWM is ready to be part of your team!

Pottstown:

41 E. High Street
Pottstown, PA 19464

610-323-2800



www.owmlaw.com

Phoenixville:

347 Bridge Street, Ste. 200
Phoenixville, PA 19460

610-917-9347

7 THINGS YOUR IRA CUSTODIAN WON'T TELL YOU



By Greg Koch, Koch Insurance Brokers LLC, Koch Financial Group LLC

What hasn't your IRA Custodian told you?

It is important to know what your IRA custodian will tell you and what they will not or cannot tell you. The I in IRA stands for individual and many times it is up to the individual to know things or keep track of them.

1. 60-Day Rollovers – An IRA custodian will not remind you that an individual can only do one 60-day IRA-to-IRA or Roth IRA-to-Roth IRA rollover in a 12-month period. They may not even tell you that you have 60 days to complete a rollover. IRS has ruled that while a custodian might be held liable for erroneous information, they have no obligation to give the individual any information on rollovers. A distribution that is eligible for rollover is one where the check from the IRA or Roth IRA custodian is made payable to the account owner who then has 60 days to recontribute the funds to either the same or a different IRA/Roth IRA. This type of transaction can only be done once in a 12-month period. IRAs and Roth IRAs are aggregated for the once-per-year rule.

2. Non-Spouse Beneficiary Cannot Roll Over – An IRA custodian is not required to tell a beneficiary that a check made payable to that beneficiary is a totally taxable distribution from the inherited IRA. A non-spouse beneficiary cannot do a 60-day rollover. That is the way Congress wrote the law and IRS does not have the authority to allow a non-spouse beneficiary to undo this transaction. While a distribution from an inherited Roth IRA may not be taxable, it also cannot be rolled over to another inherited Roth IRA. In either case, the IRA/Roth IRA is gone.

3. Inherited RMDs – IRA custodians are not required to notify beneficiaries of

their required minimum distribution (RMD) or to calculate the RMD for a beneficiary. Beneficiaries – you are on your own! All non-spouse beneficiaries have an RMD beginning the year after the death of the account owner, regardless of their age. The RMD requirements are the same for inherited Roth IRAs. (The rules are different for spouse beneficiaries.)

4. QCD – A qualified charitable distribution is an option available to IRA owners age 70 ½ or older. They can have funds sent directly from their IRA to a qualifying charity. The distribution can satisfy their RMD and a QCD is capped at \$100,000 per person, per year. The QCD does not count in the IRA owner's income. But, the IRA custodian is required to report the QCD as a normal distribution. The IRA owner must remember to tell their tax preparer of the QCD so they can report it correctly on the tax return. The amount of the 1099-R gets included on line 15a of Form 1040. On line 15b only taxable amounts are reported and the notation QCD goes on that line to tell IRS of the QCD transfer.

5. Early Distribution Penalty Exception – You took an early distribution from your IRA but you will qualify for one of the 10% early distribution penalty exceptions. You tell your IRA custodian this before you take the distribution. The IRA custodian is not responsible for determining whether or not you qualify for an exception to the penalty.

(Continued on page 14)

PRIORITY BUSINESS BANKING

Services Available:

"Where Your
Business
is Our
Priority"

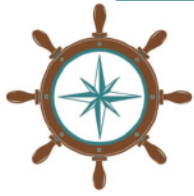
Priority Deposits
Merchant Services
Lines of Credit
Equipment Loans
Priority Remote Deposit Capture
Commercial Real Estate Mortgages
Personal Rewards Accounts
Personalized Investments
Personal Relationship Officer



Harleysville
SINCE 1915 BANK



Koch Financial Advisors & Koch Insurance Brokers



KOCH
FINANCIAL GROUP

*Navigating your financial future by growing,
managing & preserving your wealth.*

610-370-7268

www.KochFinancialGroup.com



KOCH
INSURANCE BROKERS, LLC.

www.KochInsBrokers.com

Are you sure you have enough money for your retirement or do you have some doubt?

Find out how to get from where you are today to where you want to be in your retirement.

We are truly a one-stop shop with our exclusive POD system (Professionals On Demand). We have an affiliate network of professionals for every service a senior would need. One call does it all.

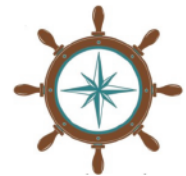
We specialize in the distribution phase of your retirement with assets that are NOT in the stock market, we offer several conservative fixed-rate investments not affected by the stock market swings with above average returns.

How to Maximize your Social Security - Free Report
Find out how to take your benefit for maximum payout!

Confused about Medicare Plans and what is best for you?
FREE consultation & analysis of all plans available today!

Services We Offer

- Retirement Planning—Go from “forever taxed” to “Never Taxed”
- Business Owner & Key employee—Tax-Free retirement plans
- Estate Planning—Wills & Revocable Living Trusts, etc.
- Life Insurance & Annuities—Plans w/No Risk to Principal
- Retirement Insurance/Wealth Transfer Plans
- College planning & funding
- How to “Be Your Own Bank”
- Best ways to handle Long Term Care needs
- Final Expenses & Mortgage insurance
- Medicare—We offer all the top plans



Your one stop for all your Financial & Insurance needs

Investment Advisory Services offered through IAMS Wealth Management, LLC, a registered investment advisor.
Koch Financial Group, LLC and IAMS Wealth Management, LLC are not affiliated entities.
Koch Financial Group, LLC and Koch Insurance Brokers, LLC are affiliated entities.



SPENDING TOO MUCH On MERCHANT SERVICES, TELECOM and SMALL PACKAGE SHIPPING & COURIER Services?

We Are the Cost Reduction Specialists!

We provide a **RISK-FREE, NO OBLIGATION** analysis of your telecom, merchant services and small package shipping expenses with an average savings of **27-28%**!



Telecom



Merchant Services



Small Package
Shipping & Courier

Contact Tel: 484.524.8467
Andrew Rohrbough andrew.rohrbough@schooleymitchell.com

7 THINGS YOUR IRA CUSTODIAN WON'T TELL YOU

(Continued from page 12)

They are going to code the 1099-R as an early distribution, no known exception. You tell IRS about your exception by filing Form 5329 with your tax return.

6. 5-Year Holding Periods for Roth IRAs – It is up to the Roth IRA owner to track their 5-year holding periods. There is a simple reason behind this. An individual can have multiple Roth accounts with multiple Roth custodians. There is no way one custodian could know about accounts with another custodian.

It is up to the Roth IRA owner to know when they established their first Roth IRA and thus when the 5-year holding period requirement is satisfied for a qualified Roth IRA distribution. It is also up to individuals under age 59 ½ to know when the 5-year holding period for each Roth conversion that they have done is up which enables them to take penalty-free distributions from their Roth accounts. This tracking can be done by tax preparers if the Roth IRA owner gives the necessary information to the preparer and he or she inputs this information into their tax software.

7. After-Tax Amounts in an IRA – For the same reasons noted above, an IRA owner is responsible for tracking after-tax amounts in their IRAs. The tracking is

done on Form 8606 which is filed with the IRA owner's tax return. It is required to be filed in any year that the IRA owner makes an after-tax contribution, and in any year when a distribution is taken from any IRA. The form will do the pro-rata calculation for the IRA distributions.



ROUTE 422 Business Advisor

Promote YOUR business
in the NEXT issue!
Call (610) 323-6253

