ED SLOTT'S ELITE IRA ADVISOR GROUP™

FUJIYAMA WEALTH MANAGEMENT™
Investment & Retirement Strategists

NUA Timeline: "Triggering Events"

Plan Participant: Jim, born on January 1

The net unrealized appreciation (NUA) process allows company stock to be withdrawn from a retirement plan with the owner paying taxes at long-term capital gain rates on the appreciation. Ordinary income taxes are due on the basis in the year of distribution. However, there are strict rules governing when NUA can be taken and the timing of the requisite lump sum distribution (LSD). Here is an example for Jim:

1

Age 59½ Triggering Event!

Jim's NUA light goes on. LSD can be completed this year or any subsequent year as long as the 59½ light is on.

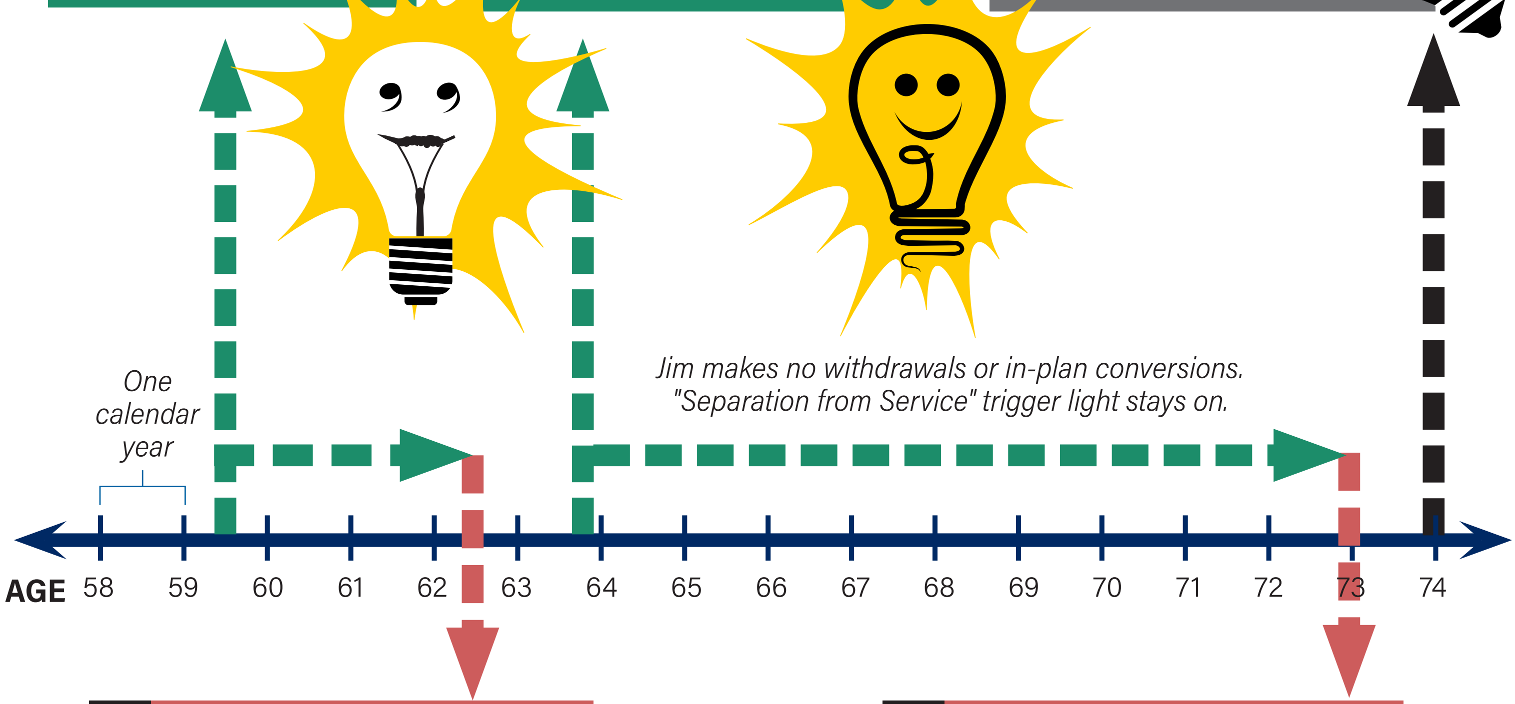
3

Age 63. Jim retires. Separation from Service Triggering Event!

NUA light goes back on. LSD can be completed this year or any subsequent year as long as the separation from service light is on.

5

If Jim fails to complete a lump sum distribution in the year his RMD is paid out, he has probably lost the chance to benefit from NUA in his lifetime. The only possible remaining NUA triggers are disability and death.



2

Age 62. Jim takes a withdrawal to fund a family vacation. 59½ trigger is activated! LSD must be completed before the end of this calendar year, or the 59½ NUA trigger light goes out and is forever lost.

4

Age 73. Jim's first RMD is paid out. Separation from Service trigger is activated! LSD must be completed before the end of this year, or Jim's separation from service NUA trigger light goes out and is forever lost.