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TO: CLIENTS AND THEIR ADVISORS

RE: Waiver of 2009 REQUIRED MINIMUM DISTRIBUTION

At the end of 2008, Congress enacted legislation that waived the required minimum distribution ("RMD") payments for 2009 for participants in employer sponsored tax qualified retirement plans and for individual owners of IRAs. This was done in order to spare taxpayers from having to liquidate deeply depreciated assets in order to satisfy the RMD.

There are three (3) distinct classes of taxpayers that are affected by the waiver:

1. Participants in retirement plans and traditional IRA owners over age 70 1/2. Individuals who turned age 70 1/2 during 2008 who deferred the 2008 RMD until on or before April 1, 2009, must take the deferred amount in 2009. However, those individuals turning 70 1/2 during 2009 will have their first RMD waived.

2. Beneficiaries of retirement plan accounts or traditional IRAs of deceased owners.

3. Beneficiaries of Roth IRAs of deceased owners. While owners of Roth IRA accounts do not have to take lifetime RMD payments from Roth IRAs, designated beneficiaries of Roth IRAs are part of the blanket waiver for 2009.

If the custodian of your account has been making payments of your RMD each year automatically, whether monthly or otherwise, you must notify the financial institution immediately if you do not want to receive any of your 2009 RMD or a reduced amount.

If you have received any payments in 2009 towards your RMD, this will be subject to income tax for 2009 unless you take remedial action. You can rollover such 2009 RMD payments to any IRA within sixty (60) days of receipt of the RMD payment without being subject to income tax.

Our office is available to assist you or your clients with any questions or concerns on the implications of the new law change waiving RMDs for 2009 and to review retirement planning issues as well as our other areas of specialization, including tax dispute resolution, sophisticated gift and estate tax planning and administration opportunities including family limited partnerships, personal residence trusts and charitable scenarios which will assist in the preservation of wealth for future generations, business and employment law representation and real estate transactions.