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"I closed my Roth IRA two years ago. Can I start a new one now?"

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Q: I closed my Roth IRA two years ago. Can I start a new one now? — L.P.C., 67, DeLand

A: If you have earned income, you can begin contributing to a new Roth IRA. Keep in mind, however, that before you'll be eligible to take tax-free withdrawals of any earnings, you'll need to wait five years. Withdrawals of your own funds are always tax-free, regardless of when they're taken. — John Pinkley

Q: I want to sell some stock that I purchased five years ago for \$10,000. The value if I sold today would be \$7,000. Do I pay taxes on the \$7,000? — T.W., 71, Daytona Beach

A: No. The \$7,000 is not taxable as income. In fact, you would have a \$3,000 long-term capital loss, which could be used to offset any other stock-sale gains you may have this year or used as a deduction against ordinary income. — Mark Boxman

Q: I have \$70,000 and want to get a higher return without stock market risk. I have a money market account now. — V.B., 68, Orlando

A: Corporate bonds offer yields of 5 percent to 8 percent right now. Just make sure they are sound companies and that you understand the bonds will fluctuate in value until they mature. — Al Baker

Q: I am retired with a large 401(k) balance, and I was told I must begin making my required minimum distributions by April 2011. Are there any other options that I should consider? — A.E., 70, Longwood

A: You may want to consider the Roth conversion in 2010 if you can pay the federal income tax liability from a source other than your retirement account. There is a special provision for 2010 that allows you to convert all or a part of your retirement account to a Roth IRA and spread the tax liability over two tax years, with 50 percent being due in 2011 and 50 percent being due in 2012. — Larry Breen

Q: How do I figure out what my rates are on my bonds? — V.W., 81, Kissimmee

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A: You can go to <http://www.treasurydirect.gov> to check. There are two parts to the interest: a fixed amount and an inflation amount. You add them together to determine your rate. It changes two times a year. — Cary Carbonaro

Q: I worked 31 years for the state and have the option of taking my money in a lump sum instead of keeping it in the retirement system, which also has insurance features. I have quite a lot of investment experience and feel that I can handle my own fund. — A.T., 55, Altamonte Springs

A: Regardless of your investment expertise, I would advise you not to disregard the security of a state- sponsored pension system. Maybe you could look at the possibility of a hybrid plan, where you would have the advantages of both approaches. — Richard Almeida

Q: Where can I go to get help in setting up a budget? My husband and I own our business. What can we do to save for retirement? — V.M., 39, Orlando

A: I suggest you contact the National Foundation for Credit Counseling, a non-profit that helps individuals with credit problems and budgeting. A Simplified Employee Pension Plan (SEPP) would be a good choice as a retirement plan. You can contribute as much as 25 percent of your compensation each year (up to \$49,000) and take a tax deduction for it. — Fred Bremer

Q. What will be the 2011 income-tax rates for investment income? — T.W., no age given, Kissimmee

A. Unless Congress extends the current tax rates, the 2011 long-term capital gains tax rate will be 20 percent, and interest and dividend income will be taxable at ordinary tax rates of as much as 39.6 percent. — Sylvia "Chris" Presley

Q: I am 88 and my elder sister wants to add my name to her bank account in case something happens to her. She has already created a durable power of attorney, naming me to manage her financial affairs. Should I advise that my sister add my name to her account? — J.B., 88, Oviedo

A: I think it would be best not to add your name to her account. In the unlikely situation that you become involved in a liability or lawsuit, those accounts could be vulnerable to satisfy your debt or judgment. I suggest you take the durable power of attorney to her bank and have them add your name as an approved signer on her account. — Charlie Fitzgerald III

Q: I have about \$225,000 in investments and savings and have been paying premiums on a long-term care policy for a number of years. I feel like it is a waste of money. Should I cancel the insurance contract? – G.A., 69, Orlando

A: I think a quality, long-term care policy is an excellent investment. Should you ever need care, the policy could provide a means for good care and greater choice, allowing you to remain independent for as long as possible. — Greg Vandergrift

Q: Should I finance a new car with the 0 percent offer from the dealership, or is there a better option? — S.B., no age given, Orlando

A: If you have the option of taking 0 percent financing or cash rebates, you are not receiving a true interest-free loan. Compare interest rates on auto loans from several banks or credit unions to see if financing through a third party allows you to take advantage of both the dealer's cash rebates and a low-interest loan rate. If the cash rebates give you more money back than the total interest paid to the bank or credit union, the cash rebates may be the better option. — Colby Winslow

Q: I was recently laid off and am not sure what options I have with my 401(k). — R.V., 33, Orlando

A: You generally will have four options: (1) leave it with your current employer, (2) roll over your 401(k) into an IRA rollover or Roth IRA, (3) roll over your funds to a future employer's plan, or (4) cash it out. All of the options have advantages and disadvantages that may depend on your employers' plan provisions. You should consult a financial planner to help determine which option is best for you. — Derrick Chandler

Q: I am 77 years old and have an IRA maturing next month and don't know if I should invest in other bond funds or try stock funds. We're currently living comfortably with our bond and certificate-of-deposit income, and I don't like to take risk. — C.D., 77, Orlando

A: If you are living a comfortable lifestyle with the income generated from bond funds and CDs, then I would continue investing in similar types of investments. Stock funds will provide growth to the portfolio but will also bring higher risk with those possible higher returns. — Christina Pinto

Q: What is the best way for me to save for retirement? My parents bought a mutual fund for me. I have a 401(k) at work but not sure I like my job. — B.J., 25, Orlando

A: You can put up to \$5,000 a year into a Roth IRA or choose the workplace 401(k). Your employer may match some or all of your 401(k) contribution, and any money you put into your company 401(k) is yours if you leave your job. You can redeem the fund your parents gave you to buy the Roth IRA, but you will have to pay taxes on any gains because it is a taxable account. — Cynthia Price

Q: I'm getting only 1 percent on my certificate of deposit at the bank. A neighbor told me he's getting 8 percent on a church bond. What can you tell me about church bonds? — J.B., no age given, Casselberry

A: Church bonds are a promise to pay principal and interest to the bondholder. To secure investors, the church pledges its real estate as collateral upon the bonds. Churches issue bonds to finance new construction, remodel an existing facility; refinance existing debt, or purchase land and buildings. — Dave Jenson

Q: Most of my 401(k) is pre-tax and employer contributions, but I mingled some after-tax contributions into the same account. How do I determine the amount that I use for my minimum required distribution? — H.B., 69, Winter Springs

A: You indicated that you know the cost basis of the after-tax portion and that value you believe is about 10 percent of the total. If your plan sponsor can't separate the values, I would suggest basing your required minimum distribution on the total value less the cost basis of the after-tax money. This will assure that you're satisfying your RMD. — Randy Harrison

Q: I am behind the eight ball in saving for retirement. I will have Social Security and a pension to supplement my retirement savings, but I am not sure that will be enough to support my lifestyle. I was told recently to put my savings in an annuity that can provide a lifetime income to supplement my pension and SSI. Is this a good idea? — L.S., 62, Winter Park

A: It is not possible for me to tell you whether the annuity is appropriate for you or not without knowing how much income you would need at retirement compared with how much you have from other sources. I do not recommend your putting all of your savings in any product that has limited accessibility. It would be advisable to do retirement-income planning before making any such investing decisions. — Chris Toadvine

Q: I have \$600,000 in IRA-deferred annuities. I want to covert \$400,000 of this to a 15-year certain immediate annuity. What will my required minimum distribution be based on? — H.W., 75, Longwood

A: Because the immediate annuity will be an IRA account, your required minimum distribution will be based on the full \$600,000. Your payments from the immediate annuity should be enough to cover your RMD. — Nancy Hecht

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