

Rosen Seymour Shapss Martin & Company LLP

Certified Public Accountants & Profitability Consultants

RSSM Alert

END OF YEAR UPDATES

Tax Consequences of Investment Losses

The last week has brought about one of the largest financial frauds in history. The full extent of the Madoff losses is staggering and still being determined. There are tax and accounting issues to be analyzed with respect to these losses. A more detailed analysis of these issues will be forthcoming. We at RSSM are here to advise and counsel you concerning these issues.

Contact Alan M. Willinger at (212) 303-1013 or e-mail him at awillinger@rsmcpa.com.

Relief for Retirees and Employers

Congress has just passed the Worker, Retiree and Employer Recovery Act of 2008 ("WRERA"). In general, individuals are normally required to take a minimum distribution from their retirement accounts each year beginning in the year they become 70-1/2 years of age. Failure to take a required minimum distribution can result in an excise tax equal to 50% of the required distribution. The new legislation suspends the excise tax for **2009 for defined contribution plans**, effectively eliminating the need to take a required minimum distribution next year for most qualified plans and IRAs. The legislation does **not** affect the required minimum distribution for 2008, which still must be taken by December 31, 2008, or if 2008 is the year one turned 70-1/2 years of age, by April 1, 2009.

Contact Avery E. Neumark at (212) 303-1806 or e-mail him at aneumark@rsmcpa.com.

The deadline for 403(b) Plan Document Compliance has been Extended

The IRS has extended the deadline for **adopting plan documents** to bring 403(b) plans into compliance with new laws. The new deadline is December 31, 2009. However, ongoing good faith compliance in the operation of 403(b) plans is required. Only the written plan document requirement for 403(b) plan compliance has been extended. If you have any questions concerning the new requirements, we are here to assist you.

Contact Avery E. Neumark at (212) 303-1806 or e-mail him at aneumark@rsmcpa.com.

Sincerely,

Rosen Seymour Shapss Martin & Company LLP

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