

# Individual Retirement Plan (IRA) Guide

	Regular IRA	Roth IRA
<b>Features</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Earnings accumulate tax deferred</li> <li><input type="checkbox"/> Contributions may be tax-deductible</li> <li><input type="checkbox"/> Can Be used in conjunction with a Roth IRA and an Education IRA</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Earnings accumulate tax deferred</li> <li><input type="checkbox"/> Tax-free qualified withdrawals</li> <li><input type="checkbox"/> Contributions are not tax deductible</li> <li><input type="checkbox"/> Contributions can continue after age 70 ½</li> <li><input type="checkbox"/> Can Be used in conjunction with a Regular IRA and an Education IRA</li> </ul>
<b>Eligibility Requirements</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Must Be under 70 ½</li> <li><input type="checkbox"/> Must have earned compensation during the year</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Must have MAGI below \$101,000 (single) and \$159,000 (joint filers)</li> <li><input type="checkbox"/> Reduced contributions allowed when MAGI is \$101,000-\$116,000 (single) and \$159,000-\$169,000 (joint filers)</li> <li><input type="checkbox"/> Can convert a Regular IRA to a Roth IRA if MAGI is under \$100,000 or under (income tax will apply)</li> </ul>
<b>Plan Contribution Limits</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Annual contributions of up to \$5,000 or 100% of compensation, whichever is less</li> <li><input type="checkbox"/> Non-employed spouses may also contribute up to \$5,000 per year</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> After-tax contributions of up to \$5,000 or 100% of compensation, whichever is less</li> <li><input type="checkbox"/> Non-employed spouses may also contribute up to \$5,000 per year</li> </ul>
<b>Distributions</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Penalty-free distribution events include; age 59 ½, permanent disability, education expenses, first-time home purchase (\$10,000 lifetime cap), payment of medical expenses, payment of health insurance (if unemployed), death</li> <li><input type="checkbox"/> Minimum distributions required at age 70 ½</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Penalty-free distribution events include; age 59 ½, permanent disability, first-time home purchase (\$10,000 lifetime cap), death</li> <li><input type="checkbox"/> No minimum distributions required at age 70 ½</li> </ul>
<b>Deadline To Set-Up – Contribute</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Tax-filing deadline not including extensions (usually April 15)</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Tax-filing deadline not including extensions (usually April 15)</li> </ul>

## Contribution limits schedule for Regular Roth IRA

2008            \$5,000

2009            Indexed in \$500 increments

**Catch-Up Contributions** – Taxpayers who are age 50 and above will be permitted to contribute “catch-ups” to their IRAs. They can contribute to an IRA an additional \$1,000. These “catch-up” payments can either be deductible or made to a Roth IRA, if the base-line AGI limits are met for regular contributions for the year.