

Individual Retirement Plan (IRA) Guide

	Regular IRA	Roth IRA
Features	<ul style="list-style-type: none"> <input type="checkbox"/> Earnings accumulate tax deferred <input type="checkbox"/> Contributions may be tax-deductible <input type="checkbox"/> Can Be used in conjunction with a Roth IRA and an Education IRA 	<ul style="list-style-type: none"> <input type="checkbox"/> Earnings accumulate tax deferred <input type="checkbox"/> Tax-free qualified withdrawals <input type="checkbox"/> Contributions are not tax deductible <input type="checkbox"/> Contributions can continue after age 70 ½ <input type="checkbox"/> Can Be used in conjunction with a Regular IRA and an Education IRA
Eligibility Requirements	<ul style="list-style-type: none"> <input type="checkbox"/> Must Be under 70 ½ <input type="checkbox"/> Must have earned compensation during the year 	<ul style="list-style-type: none"> <input type="checkbox"/> Must have MAGI below \$95,000 (single) and \$150,000 (joint filers) <input type="checkbox"/> Reduced contributions allowed when MAGI is \$95,000-\$110,000 (single) and \$150,000-\$160,000 (joint filers) <input type="checkbox"/> Can convert a Regular IRA to a Roth IRA if MAGI is under \$100,000 or under (income tax will apply)
Plan Contribution Limits	<ul style="list-style-type: none"> <input type="checkbox"/> Annual contributions of up to \$4,000 or 100% of compensation, whichever is less <input type="checkbox"/> Non-employed spouses may also contribute up to \$4,000 per year 	<ul style="list-style-type: none"> <input type="checkbox"/> After-tax contributions of up to \$4,000 or 100% of compensation, whichever is less <input type="checkbox"/> Non-employed spouses may also contribute up to \$4,000 per year
Distributions	<ul style="list-style-type: none"> <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 <input type="checkbox"/> Minimum distributions required at age 70 ½ 	<ul style="list-style-type: none"> <input type="checkbox"/> Penalty-free distribution events include; age 59 ½, permanent disability, first-time home purchase (\$10,000 lifetime cap), death <input type="checkbox"/> No minimum distributions required at age 70 ½
Deadline To Set-Up – Contribute	<ul style="list-style-type: none"> <input type="checkbox"/> Tax-filing deadline not including extensions (usually April 15) 	<ul style="list-style-type: none"> <input type="checkbox"/> Tax-filing deadline not including extensions (usually April 15)

Contribution limits schedule for Regular Roth IRA

2005-2007	\$4,000
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 in 2006 and all years thereafter. 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.

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