

IRA Comparison Chart

Type	Eligibility	Contribution Guide	Deductibility	Tax Advantages	Withdrawals
<b>Roth</b>	AGI - Individuals earning up to \$101,000 but not over \$116,000. MFJ - Earning up to \$159,000 but not over \$169,000.	Individual - \$5,000 MFJ - \$10,000 Contributions may be made after age 70 1/2 if still employed. ****	No	Tax-free earnings. Penalty-free withdrawals after five years.	Tax free*, *** for the purchase of a first home, higher education, after five years, after age 59 1/2. No required distribution at age 70 1/2.
<b>Education</b>	Named beneficiary less than 18 years old. AGI - Individual earning up to \$95,000 but not over \$110,000. MFJ - Earning up to \$190,000 but not over \$220,000.	\$2,000 per child per year	No	Tax-free for education expenses. K - 12 and college.	Must be depleted by age 30. Taxable and ten percent penalty when not used for education. *Special needs exception.
<b>Traditional Deductible</b>	Individuals not participating in employer sponsored retirement plans. Active participants may also qualify for full or partial deductions. **	\$5,000 or 100% of earned income whichever is less. Contributions not allowed after age 70 1/2. ****	\$5,000 Individual. MFJ - \$10,000.	Earnings grow tax deferred but are taxed upon withdrawal. Possible tax deduction.	Penalty free*** after age 59 1/2, for the purchase of first home, higher education or upon death. Required distribution at age 70 1/2.

\* Withdrawals from a Roth IRA after five years are not subject to income tax or the 10 percent premature penalty if the individual is at least 59 1/2, dies, is disabled, or used up to \$10,000 of the money for first-time purchase of a house. Withdrawals after five years, but before 59 1/2 for college expenses are not subject to a 10 percent penalty tax but are taxed at ordinary rates. Withdrawals of contributions are not subject to income tax or a 10 percent early withdrawal penalty. Withdrawals of earnings before five years are subject to income tax and possibly the 10 percent penalty tax.

\*\* In 2008 and later, if covered by a retirement plan, fully deductible contributions may be possible if AGI is below \$53,000 for single taxpayers and \$85,000 for married filing jointly. In addition, reduced deductible contributions may be allowed for AGI levels between \$53,000 - \$63,000 for single and \$85,000 - \$105,000 for married filing jointly.

\*\*\* Taxable distributions are not subject to the 10 percent early withdrawal penalty if the individual is 59 1/2, deceased, disabled, taking equal periodic payments over his/her life expectancy for at least five years or until age 59 1/2, whichever comes later, or for college expenses, first-time home purchase up to \$10,000, certain medical expenses and certain other uses.

\*\*\*\*In 2006, through 2010 an additional \$1,000.00 catch up contribution can be made into a Roth or Traditional IRA if you are 50 or older by year end.

Not intended as tax advice. Please consult a tax professional.