



2009 & 2010 IRA Rules

	Roth	Traditional
Eligibility & Tax Advantages		
Who is eligible?	<ul style="list-style-type: none"> An individual with earned income or W-2 compensation No age restrictions Adjusted gross income (AGI) is within IRS limits 	<ul style="list-style-type: none"> An individual with earned income or W-2 compensation Under age 70 ½ No AGI limit for contributions; AGI limits apply for tax deductibility
Can a non-working spouse open this type of IRA?	<ul style="list-style-type: none"> Yes, if the couple files a joint federal income tax return and if combined contributions do not exceed \$10,000 (\$5,000 each) or \$12,000 (\$6,000 each) if age 50 or older 	
Are contributions tax deductible?	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Yes, subject to retirement plan participation status and AGI Non-working spouses and spouses not covered by an employer-sponsored plan have a higher deductible AGI limit
What are the federal tax advantages?	<ul style="list-style-type: none"> Tax-free growth 	<ul style="list-style-type: none"> Tax-deferred growth
Contribution Restrictions		
What are the income limits for making a contribution?	2009	
	<p><u>Single filers</u></p> <ul style="list-style-type: none"> Full Contribution - Up to \$105,000 Partial Contribution - \$105,000 - \$120,000 Not Eligible - More than \$120,000 <p><u>Joint filers</u></p> <ul style="list-style-type: none"> Full Contribution - Up to \$166,000 Partial Contribution - \$166,000 - \$176,000 Not Eligible - More than \$176,000 	<p><u>Full deductibility AGI limits</u></p> <ul style="list-style-type: none"> \$55,000 or less (single) \$89,000 or less (joint) <p><u>Partial deductibility AGI limits</u></p> <ul style="list-style-type: none"> Up to \$65,000 (single) and \$109,000 (joint) <p><u>Spouse who is not covered by an employer-sponsored plan</u></p> <ul style="list-style-type: none"> Full deductibility for AGI less than \$166,000 Partial deductibility for AGI up to \$176,000

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	2010	
What are the income limits for making a contribution?	<p><u>Single filers</u></p> <ul style="list-style-type: none"> Full Contribution - Up to \$105,000 Partial Contribution - \$105,000 - \$120,000 Not Eligible - More than \$120,000 <p><u>Joint filers</u></p> <ul style="list-style-type: none"> Full Contribution - Up to \$167,000 Partial Contribution - \$167,000 - \$177,000 Not Eligible - More than \$177,000 	<p><u>Full deductibility AGI limits</u></p> <ul style="list-style-type: none"> \$56,000 or less (single) \$89,000 or less (joint) <p><u>Partial deductibility AGI limits</u></p> <ul style="list-style-type: none"> Up to \$66,000 (single) and \$109,000 (joint) <p><u>Spouse who is not covered by an employer-sponsored plan</u></p> <ul style="list-style-type: none"> Full deductibility for AGI less than \$167,000 Partial deductibility for AGI up to \$177,000
What is the maximum annual contribution?	<ul style="list-style-type: none"> \$5,000 or 100% of employment compensation, whichever is less (2009 & 2010) 	
What is the amount for catch-up contributions?	<ul style="list-style-type: none"> Individuals 50 years or older (in the calendar year of their contribution) can contribute an additional \$1,000 (2009 & 2010) 	
What is the contribution deadline?	<ul style="list-style-type: none"> April 15 of the following year for any given tax year 	<ul style="list-style-type: none"> April 15 of the following year for any given tax year
What are the Roth IRA conversion rules?	<p><u>Prior to 2010</u></p> <ul style="list-style-type: none"> Limited to taxpayers with <\$100,000 AGI <p><u>During 2010</u></p> <ul style="list-style-type: none"> No AGI limit Tax liability spread over (2) additional years (2011 and 2012) <p><u>After 2010</u></p> <ul style="list-style-type: none"> No AGI limit Tax liability due in year of conversion 	<ul style="list-style-type: none"> N/a
<p><i>*Note: changes to the Roth IRA <u>conversion</u> rules do not change the restrictions on <u>ongoing contributions</u> to a Roth IRA account.</i></p>		
Tax Advantages & Withdrawals		
Can I withdrawal without a penalty?	<ul style="list-style-type: none"> Contributions can be withdrawn at any time without penalty Penalty-free <i>withdrawals that include investment gain</i> are restricted to: age 59½, death, disability, or qualified first-time home purchase <u>and</u> accounts that have aged 5 years or more 	<ul style="list-style-type: none"> Withdrawals prior to age 59½ may be subject to a 10% penalty
Withdrawals for special purposes	<p>Penalty-free withdrawals for both Roth and Traditional IRAs include but are not limited to:</p> <ul style="list-style-type: none"> Qualified higher education expenses; Qualified first home purchase (lifetime limit of \$10,000); Certain major medical expenses; Certain long-term unemployment expenses; Disability; and Substantially equal periodic payments 	

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Is there a mandatory withdrawal age?	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Withdrawals must begin after age 70½ based on required minimum distribution rules
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