



IRA SAVINGS COMPARISON FOR INDIVIDUALS

The following chart is a comparison of tax-advantaged savings plan options for individuals:

	Traditional IRA	Rollover IRA	Roth IRA
Highlights	A Regular or Traditional IRA allows working individuals to contribute earnings toward their retirement. Qualified contributions and their earnings are tax-deferred until withdrawn. An IRA can also be funded for a non-wage earning spouse.	A Rollover IRA allows individuals to move their assets from another IRS approved retirement plan, including 401(k), 403(b), and 457 and continue to accrue tax-deferred earnings. Assets must be reinvested in the Rollover IRA within 60 days. Assets from various plans and IRAs may be commingled for easier management.	A Roth IRA accepts only non-deductible contributions, but all earnings and subsequent qualified distributions are tax-free. Roth Conversions — Traditional IRAs, SIMPLE IRAs and SEPs can be converted by paying income taxes (but no tax penalties) on the IRA distribution before rolling over to a Roth IRA.
Eligibility	Anyone under age 70½ with annual earned income may contribute.	Almost any distribution from a qualified plan can be rolled over to an IRA (Exceptions include: Mandatory distributions, distributions on amounts that exceeded limits, and hardship withdrawals. Non-spousal death benefit distributions may be rolled over to an IRA in a direct trustee-to-trustee transfer.)	Anyone (no age requirements) with earned income who falls within the Roth AGI ⁽²⁾ limits may contribute.
Contribution Limits	For 2008, up to \$5,000 ⁽¹⁾ annually and for 2009, up to \$5,000 ⁽¹⁾ annually (or 100% of compensation, whichever is less). Additional \$1,000 ⁽¹⁾ annual catch-up (age 50 and over)	No limits on rollover amount.	For 2008, up to \$5,000 ⁽¹⁾ annually and for 2009, up to \$5,000 ⁽¹⁾ annually (or 100% of compensation, whichever is less). Additional \$1,000 ⁽¹⁾ annual catch-up (age 50 and over)
Tax Advantages	For individuals who are not active participants in an employer-sponsored retirement plan, IRA contributions are fully deductible at any income level. For individuals participating in an employer-sponsored plan, IRA contributions may be deductible, depending on AGI ⁽²⁾ .	Rollover contributions remain tax-deferred and additional earnings accumulate tax-deferred.	Contributions are not tax deductible, but earnings grow tax-free.
Withdrawals Taxation	Any withdrawals (except non-deductible contributions) are taxed as regular income.		Qualified withdrawals are tax-free.
Timing	Withdrawals may be taken without penalty in certain situations, including: <ul style="list-style-type: none"> - attainment of age 59½ - death or permanent disability - a first-time home purchase (\$10,000 maximum) - qualified higher-education expenses - 72(t) periodic payments Penalty: Other withdrawals may incur a 10% penalty tax		In addition to these criteria, withdrawals from a Roth IRA cannot be taken without penalty until at least 5 years from the date of the first contribution or conversion.
Required Distributions	Minimum distributions must be taken beginning at age 70½		No required distribution starting date or amount until the death of the account holder
Deadline to Establish	Tax filing deadline for the year of the contribution	Within 60 days of distribution of assets	Tax filing deadline for the year of the contribution
Deadline for Contributions	Tax filing deadline for the year of the contribution	Rollovers can be made at any time provided that the rollover is completed within 60 days of receipt of the last asset	Tax filing deadline for the year of the contribution

⁽¹⁾ 2008-2009 Contribution Limits

⁽²⁾ Modified Adjusted Gross Income Limits for Traditional and Roth IRAs:

		Single Filer		Joint Filer	
		Fully Deductible	Partially Deductible	Fully Deductible	Partially Deductible
Traditional	2008	<\$53,000	\$53,000-\$63,000	<\$85,000	\$85,000 - \$105,000
	2009	<\$55,000	\$55,000 - \$65,000	<\$89,000	\$89,000 - \$109,000
Roth	2008	<\$101,000	\$101,000 - \$116,000	<\$159,000	\$159,000 - \$169,000
	2009	<\$105,000	\$105,000 - \$120,000	<\$166,000	\$166,000 - \$176,000