



## IRA CONTRIBUTIONS

### TRADITIONAL IRA

- ✓ To contribute, you must not be a member of a retirement plan (401(k), 403(b), etc.) through any employers throughout the year. (Look at Pension box on W-2's)
- ✓ Maximum Contribution to traditional and/or Roth IRA's are limited to \$5,000 per person each year. If you are age 50 to 70, you may add \$1,000 for a catch-up contribution.
- ✓ Must fund your contribution by April 15 for the prior tax year regardless of date your tax return is filed. Tell your broker or bank that you are making a contribution for prior tax year.
- ✓ Please note that there will be a 10% penalty plus federal and state taxes due if the money is withdrawn early (before age 59 1/2).
- ✓ Limit for contributions in 2010 will remain at \$5,000 (or \$6,000 including a catch-up contribution).

**EXAMPLE:**

Total Income	\$60,000
Less: Deductible IRA	(\$ 5,000)
Taxable Income	\$55,000

Tax is based on \$55,000 income.

Est. Federal Tax Savings (assuming \$5,000 contribution; not including state tax savings)

15%	\$ 750
25%	\$1250
28%	\$1400
33%	\$1650

When you withdraw the money at retirement, you will pay tax on the original investment of \$5000 and its earnings.

TAXPAYER CONTRIBUTION

\$ \_\_\_\_\_

SPOUSE CONTRIBUTION

\$ \_\_\_\_\_

### ROTH IRA

- ✓ To contribute, your total income must be less than \$166,000 if filing jointly or \$105,000 for all other filers before the phase out begins.
- ✓ Maximum Contribution to traditional and/or Roth IRA's are limited to \$5,000 per person each year. If you are age 50 to 70, you may add \$1,000 for a catch-up contribution.
- ✓ Must fund your contribution by April 15 for the prior tax year regardless of date your tax return is filed. Tell your broker or bank that you are making a contribution for the prior tax year. A Roth IRA must be specified. It will be set up as a separate account from any traditional IRA's you may already have.
- ✓ Please note that there will be a 10% penalty plus federal and state taxes due on the earnings if the money is withdrawn early (before age 59 1/2).

**EXAMPLE:**

Total Income	\$60,000
Contribution to Roth IRA	(\$5,000)
Taxable Income	\$60,000

When you withdraw the money at retirement, you will NOT pay tax on the original investment of \$5,000 or its earnings according to the current tax code.

TAXPAYER CONTRIBUTION

\$ \_\_\_\_\_

SPOUSE CONTRIBUTION

\$ \_\_\_\_\_

I declare that I have examined and/or completed this worksheet and any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Prepared and submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Printed name: \_\_\_\_\_