

IRA Tax Deductibility Phase-Out Ranges

This chart is only used for those who are participating in a company retirement plan. If you are not covered by a company plan, but your spouse is, the phase-out range for you is \$167,000-\$177,000 (2010). If you live with your spouse, file married-separate and you are active in a company retirement plan, your phase-out range is \$0-\$10,000.

If you are single and not covered by a company plan or are married and neither you nor your spouse is covered by a company plan, you can make a tax deductible IRA contribution regardless of your income.

<u>Year</u>	<u>Single or Head of Household MAGI*</u>	<u>Both Participating Married-Joint MAGI*</u>	<u>One Not Participating Married-Joint MAGI*</u>
2008	\$53,000 - \$63,000	\$85,000 - \$105,000	\$159,000 - \$169,000
2009	\$55,000-\$65,000	\$89,000 - \$109,000	\$166,000 - \$176,000
2010	\$56,000 - \$66,000	\$89,000 - \$109,000	\$167,000 - \$177,000

**Modified Adjusted Gross Income (MAGI)*

To determine your MAGI for IRA deductibility, start with your Adjusted Gross Income (AGI) and add back IRA deduction and student loan interest deductions.

Full IRA deductibility if your MAGI is less than the range (i.e., \$89,000 married both participating in '09).

Reduced IRA deductibility if MAGI is within range (proportionately).

Non-deductible IRA if MAGI is greater than range.

Maximum Contribution in 2009 & 2010 for either an IRA (non-deductible or deductible) or ROTH-IRA is \$5,000 plus \$1,000 age 50 catch-up. You can't do maximum for both, but you can do some of each up to a total of \$5,000 plus \$1,000.

A general overview – check with tax adviser before taking action.