

Two Types of Roth-IRAs

1. Annual Contributions

Roth-IRA (same as for IRA)

	<u>2009</u>	<u>2010</u>
Max Contribution	\$5,000 Age 49 or younger \$6,000 Age 50 or older	\$5,000 Age 49 or younger \$6,000 Age 50 or older

You can't do max for both IRA and Roth but can do some of both

Income Limits	Phase Out Range (MAGI)	Phase Out Range (MAGI)
Single	\$105,000 - \$120,000	\$105,000 - \$120,000
Married – joint	\$166,000 - \$176,000	\$167,000 - \$177,000
Married – Separate	\$ 0 - \$10,000	\$0 - \$10,000

Roth -401(k)/Roth-403(b) (same as 401k)

	<u>2009</u>	<u>2010</u>
Max Contribution	\$16,500 age 49 or younger \$22,000 age 50 or older	\$16,500 age 49 or younger \$22,000 age 50 or older

You can't do max for both 401(k) and Roth 401(k) but can do some of both

There are no income limits for contributing to a Roth-401(k)/Roth-403(b) salary deferral plan, if offered by your employer

2. Conversion from IRA, SEP-IRA, Simple-IRA (after 2 year hold), 401(k) to Roth-IRA

No limit on the amount converted and no age restriction

Income Limits	<u>2009</u>	<u>2010</u> * Major Planning Opportunity
Single	less than \$100,000	None Anyone can convert
Married	less than \$100,000	None

*Your choice to pay taxes in 2010 or 50% in 2011 and 50% in 2012

* Individuals who are married filing separately will be eligible for Roth-IRA conversion beginning in 2010

Caution: Age 70 ½ Required Minimum Distributions must be taken before converting to a Roth-IRA.
Simple –IRAs opened less than two years are not eligible for Roth Conversion and are subject to 25% penalty tax

For a Roth-IRA Conversion analysis or question email [Harry Rubins](#)

General information only – review with your tax adviser before taking action