

## Two Types of Roth-IRAs

### 1. Annual Contributions

#### Roth-IRA (same as for IRA)

	<u>2009</u>	<u>2010</u>
<b>Max Contribution</b>	\$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

<b>Income Limits</b>	<b>Phase Out Range (MAGI)</b>	<b>Phase Out Range (MAGI)</b>
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>
<b>Max Contribution</b>	\$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

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

- \*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

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**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](mailto:Harry.Rubins@rubins.com)

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