

## Retirement Savings Planning Alternatives: A Comparison

	<b>Traditional IRA</b>	<b>Roth IRA</b>	<b>401(k) Plan</b>
<b>Contribution Eligibility</b>	Under age 70 ½  Must have earned income. Deductibility of contributions varies with Modified Adjusted Gross Income (MAGI).	Must have earned income  Not available to persons with modified AGI over: \$120,000 (single) \$176,000 (married filing jointly) \$10,000 (married filing separately).	Dependent upon plan requirements
<b>Contribution Limits</b>	Year < 50 > 50 2009 \$ 5,000 \$ 6,000  Indexed for inflation in \$500 increments after 2008.	Same as Traditional IRA	Year < 50 > 50 2009 \$ 16,500 \$ 22,000  Indexed for inflation in \$500 increments after 2006.
<b>Tax Advantages</b>			
<b>Contributions</b>	Tax-Deductible (subject to certain limitations – see table below)	Not Tax-Deductible	Tax Deductible
<b>Earnings</b>	Tax-Deferred (taxed when you begin withdrawing)	Tax-Free (subject to certain limitations)	Tax-Deferred (taxed when you begin withdrawing)
<b>Withdrawals</b>	Taxable	Tax-Free (subject to certain limitations)	Taxable
<b>Withdrawals</b>			
<b>Qualified</b>	After age 59½	Withdrawal of contributions at any age, or earnings after age 59½ AND after account has been opened five years.	After age 59½
<b>Non-Qualified</b>	10% Before age 59½ . If you do not start withdrawing by age 70½ unless exceptions to penalty apply	10% and earnings taxed as income if before 5-year holding period or before age 59½ unless exceptions to penalty apply	10% Before age 59½ . If you do not start withdrawing by age 70½
<b>Exceptions</b>	Some exceptions for death, disability, first time home purchase, education, or other	Some exceptions for death, disability, first time home purchase, education, or other	-----
<b>Investment Flexibility</b>	Wide range of investment options.  Assets can be invested in stocks, bonds, mutual funds, and cash equivalents. Investments can be bought and sold as often as desired.	Wide range of investment options.  Assets can be invested in stocks, bonds, mutual funds, and cash equivalents. Investments can be bought and sold as often as desired.	Investment options limited to those provided within the plan
<b>Subject to Required Minimum Distributions (RMD)?</b>	Yes, after 70½	No	Yes, after 70½
<b>Miscellaneous</b>	---	---	<ul style="list-style-type: none"> <li>• Possible company match</li> <li>• Vesting considerations</li> <li>• Possible Loan option</li> </ul>