

IRA facts at-a-glance

Contribution limits for traditional and Roth IRAs

Year	Under age 50	Age 50 and older
2011	\$5,000	\$6,000
2012	\$5,000	\$6,000

An individual's total annual contribution cannot exceed the maximum limit no matter how many traditional and Roth IRAs he/she has.

Nondeductible contributions to a traditional IRA

Anyone under age 70½ with earned income can make a nondeductible contribution.

Deductible contributions to a traditional IRA

Neither individual nor spouse (if married) participate in employer-sponsored plan

- Contributions are fully tax deductible regardless of income level

Individual or spouse (if married) participate in employer-sponsored plan

If an individual or his/her spouse is covered by an employer-sponsored retirement plan, the deductibility of the individual's or the covered spouse's traditional IRA contribution is based on modified adjusted gross income (MAGI) as follows:

Year	Single filers	Joint filers
2011	\$56,000 – \$66,000	\$90,000 – \$110,000
2012	\$58,000 – \$68,000	\$92,000 – \$112,000

If MAGI is lower than the applicable range in the chart, contributions are fully deductible.

If MAGI falls within the applicable range in the chart, contributions are partially deductible.

If MAGI is greater than the applicable range in the chart, contributions are nondeductible.

Married couple filing jointly—only one spouse participates in employer-sponsored plan

If an individual is covered by an employer-sponsored retirement plan, but his/her spouse is not, then the deductibility of the spouse's traditional IRA contribution is based on different MAGI limits.

MAGI limits for spouse who is not a participant in an employer-sponsored plan

2011 Joint filers MAGI	2012 Joint filers MAGI	Deduction
Less than \$169,000	Less than \$173,000	Full deduction
\$169,000 – \$179,000	\$173,000 – \$183,000	Partial deduction
More than \$179,000	More than \$183,000	No deduction

IRA facts at-a-glance (continued)

Contributions to a Roth IRA

Individuals who meet the eligibility requirements may want to contribute to a Roth IRA instead of a traditional IRA. All contributions are made on an after-tax basis, but earnings grow tax-deferred. Any distributions taken from the IRA are tax-free if the Roth IRA is held for at least five years and the individual is age 59½ or older, making a first-time home purchase (lifetime limit of \$10,000 per taxpayer), is disabled or dies. Any remaining assets in the Roth IRA can be distributed to the designated beneficiary tax-free over his or her lifetime.

Eligibility to contribute to a Roth IRA

Anyone with earned income not exceeding the allowable limits may contribute. Eligibility to contribute is phased out as follows:

	Single filers MAGI	Joint filers MAGI	Married filing
2011	\$107,000 – \$122,000	\$169,000 – \$179,000	\$0 – \$10,000
2012	\$110,000 – \$125,000	\$173,000 – \$183,000	\$0 – \$10,000

Roth IRA conversion

Now everyone, regardless of income level, can convert a traditional IRA to a Roth IRA. (The \$100,000 AGI limit was eliminated beginning in 2010.) Converted amounts are not subject to the 10% penalty tax, but they are included in income. Consult with your tax advisor for details.

Contact us to discuss making a contribution to your IRA.

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