



Individual Retirement Account (IRA) Comparison Chart			
	Traditional IRA	Roth IRA	Coverdell Education Savings Account (ESA)***
Who can contribute?	<p>Anyone under age 70 1/2 who has income from compensation (or who is filing jointly with a spouse who earns compensation).</p> <p>Anyone who has received a distribution from a qualified retirement plan and decides to roll over the proceeds of the plan into an IRA.</p>	<p>Anyone who has income from compensations (or who is filing jointly with a spouse who earns compensation), with the following MAGI*:</p> <ul style="list-style-type: none"> - Up to \$95,000 for single filers - Up to \$150,000 for single filers <p>Reduced contributions allowed for higher incomes:</p> <ul style="list-style-type: none"> - Up to \$110,000 for single filers - Up to \$160,000 for single filers 	<p>Anyone who has MAGI:</p> <ul style="list-style-type: none"> - Up to \$95,000 for single filers - Up to \$190,000 for single filers - Some people with higher MAGI may be able to make smaller contributions. - Contributions not allowed after the beneficiary reaches age 18 (except for special needs beneficiaries).
How much can I contribute?	<ul style="list-style-type: none"> - \$4,000 for 2005 to 2007 <p>For owners age 50 and older, your limits increase to \$4,500 for 2005 and \$5,000 for 2006 and 2007.</p> <ul style="list-style-type: none"> - Cannot exceed compensation - Reduces contributions that can be made to Roth IRAs. 	<ul style="list-style-type: none"> - \$4,000 for 2005 to 2007 <p>For owners age 50 and older, your limits increase to \$4,500 for 2005 and \$5,000 for 2006 and 2007.</p> <ul style="list-style-type: none"> - Cannot exceed compensation - Reduces contributions that can be made to Traditional IRAs. 	<ul style="list-style-type: none"> - \$2,000 per child each year - Limit applies to all Coverdell Education Savings Accounts (ESA) for the same child.
Who can make deductible contributions?	<p>Fully-deductible contributions:</p> <ul style="list-style-type: none"> - Single individuals not active in employer retirement plans. - Single individuals active in employer retirement plans with MAGI of less than \$50,000 (2005 to 2010). - Married couples with neither spouse active in an employer retirement plan. - Married individuals active in employer retirement plans with joint tax returns showing MAGI of less than: <ul style="list-style-type: none"> - \$70,000 (2005) - \$75,000 (2006) - \$80,000 (2007 to 2010) - Married individuals not active in employer retirement plans with spouses who are, as long as MAGI is \$150,000 or less. 	<p>No one can deduct contributions.</p>	<p>No one can deduct contributions.</p>
What are the tax advantages?	<ul style="list-style-type: none"> - Earnings grow tax-deferred until withdrawn. - Contributions may be tax-deductible. 	<ul style="list-style-type: none"> - Earnings are tax-free if account is open for five tax years and withdrawn for a qualified reason (age 59 1/2, disability, death, or a first time home purchase**). - Not required to start withdrawals at age 70 1/2. 	<ul style="list-style-type: none"> - Withdrawals for certain qualified education expenses are tax-free. - Qualified education expenses include tuition, fees, books, computer equipment and technology required for elementary, secondary and post-secondary education. - A beneficiary may receive tax-free distributions from a Coverdell ESA in the same year he or she claims the Lifetime Learning or HOPE Scholarship tax credits.
When can I withdraw without restrictions?	<p>Withdraw penalty-free for any of the following reasons:</p> <ul style="list-style-type: none"> - Qualified higher-education expenses - First-time home purchase** - Age 59 1/2 - Disability - Qualifying medical expenses exceeding 7.5% of adjusted gross income - Payment to beneficiaries upon the owner's death. - Payment of health insurance premiums while unemployed for 12 weeks or longer. 	<ul style="list-style-type: none"> - Regular contributions can be withdrawn tax-free and penalty-free at any time. - After the account has been open five tax years earnings can be withdrawn tax-free and penalty-free for any of these reasons: <ul style="list-style-type: none"> - Age 59 1/2 - Disability - Death - First-time home purchase** 	<ul style="list-style-type: none"> - Withdraws are tax-free and penalty-free only for qualified education expenses (earnings are subject to tax and penalty for most other withdrawals). - Funds can be transferred from one child's account to an account for another child in the family.

Not intended as tax advice. Please consult a tax professional.

* MAGI - Modified Adjusted Gross Income from the federal tax form.

** Lifetime limit for exemption on first-time home purchase is \$10,000.

*** Formerly known as the Education IRA.