	Who can contribute?	How much can I contribute?	Who can make deductible contributions?	What are the tax advantages?	When can I withdraw without restrictions?
Roth IRA	Anyone who has income from compensation (or who is filing jointly with a spouse who earns compensation), with the following MAGI:* • Up to \$95,000 for single filers • Up to \$150,000 for joint filers Reduced contributions allowed for higher incomes: • Up to \$110,000 for single filers • Up to \$160,000 for joint filers	• \$3,000 for 2004 • \$4,000 for 2005-2007 For owners age 50 and older, your limits increase to \$3,500 for 2004, \$4,500 for 2005, and \$5,000 for 2006 and 2007 • Cannot exceed compensation • Reduces contributions that can be made to traditional IRAs	No one can deduct contributions	• Earnings are tax-free if account is open for five tax years and withdrawn for a qualified reason (age 59½, disability, death, or a first-time home purchase**) • Not required to start withdrawals at age 70½	• Regular contributions can be withdrawn tax-free and penalty-free at any time • After the account has been open five tax years, earnings can be withdrawn tax-free and penalty-free for any of these reasons: age 59½, disability, death, or a first-time home purchase**
Traditional IRA	Anyone under age 70½ who has income from compensation (or who is filing jointly with a spouse who earns compensation) Anyone who has received a distribution from a qualified retirement plan and decides to roll over the proceeds of the plan into an IRA	• \$3,000 for 2004 • \$4,000 for 2005-2007 For owners age 50 and older, your limits increase to \$3,500 for 2004, \$4,500 for 2005, and \$5,000 for 2006 and 2007 • Cannot exceed compensation • Reduces contributions that can be made to Roth IRAs	Fully-deductible contributions: • Single individuals not active in employer retirement plans • Single individuals active in employer retirement plans with MAGI of less than: – \$45,000 (2004) – \$50,000 (2005-2010) • 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: – \$65,000 (2004) – \$70,000 (2005) – \$75,000 (2006) – \$80,000 (2007-2010) • Married individuals not active in employer retirement plans with spouses who are, as long as MAGI is \$150,000 or less	• Earnings grow tax-deferred until withdrawn • Contributions may be tax-deductible	Withdraw penalty-free for any of the following reasons: • Qualified higher-education expenses • First-time home purchase** • Age 59½ • 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
Coverdell Education Savings Account (ESA)	Anyone who has MAGI: • Up to \$95,000 for single filers • Up to \$190,000 for joint 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)	• \$2,000 per child each year • Limit applies to all Coverdell Education Savings Accounts (ESA) for the same child	No one can deduct contributions	• 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	• Withdrawals 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*