



## INDIVIDUAL RETIREMENT ACCOUNTS

Women's Financial Network at Siebert offers a comprehensive retirement product line designed for individuals. Use this guide to help determine which product best suits your needs. Please call us toll-free 1-877-WFN-4YOU (1-877-936-4968) Monday - Friday 8:30 a.m - 6:30 p.m. EST to open an account, ask questions or request additional information.

WHAT IS IT?	WHO IS IT FOR?	WHEN DO I SET IT UP?	HOW CAN I CONTRIBUTE?	WHEN CAN I ACCESS THE FUNDS? <sup>2</sup>
<b>1. TRADITIONAL INDIVIDUAL RETIREMENT ACCOUNT (IRA)</b>				
<ul style="list-style-type: none"> <li>• Personal retirement account where earnings accumulate <u>tax deferred</u>.</li> </ul>	<ul style="list-style-type: none"> <li>• Any individual under the age of 70fi who has compensation.</li> <li>• Spouses under the age of 70fi with no compensation who file a joint tax return.</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions are due by the individual's tax filing deadline excluding extensions - generally by April 15th.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum contribution is the lesser of \$2,000 or 100% of compensation for the 2001 tax year. Contributions for 2002 are set a maximum of \$3000 per year, with a \$500 catch -up contribution for those over 50 years of age.<sup>1</sup></li> <li>• Contributions are generally made with tax-deductible money; however, an individual may also make non-deductible contributions.</li> <li>• Contributions may be fully or partially tax deductible depending on an individual's active participation in an employer sponsored retirement plan and Adjusted Gross Income (AGI).</li> <li>• Contributions must be made in cash.</li> </ul>	<ul style="list-style-type: none"> <li>• Penalty free distribution events:               <ul style="list-style-type: none"> <li>-Attainment of age 59fi</li> <li>-Death or disability</li> <li>-Series of substantially equal payments</li> <li>-Health insurance premiums for certain unemployed individuals.</li> <li>-Qualified higher-education expenses</li> <li>-Qualified first time home purchase (\$10,000 lifetime limit)</li> <li>-Certain medical expenses in excess of 7.5% of Adjusted Gross Income (AGI).</li> <li>-IRS levy under Section 6331 of the Internal Revenue Code.</li> </ul> </li> <li>• Minimum distributions must begin by April 1 following the year an individual turns age 70fi and must occur by December 31 each year thereafter.</li> </ul>
<b>2. ROTH IRA</b>				
<ul style="list-style-type: none"> <li>• Personal retirement account where earnings accumulate <u>tax free</u>.</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals with compensation not to exceed Adjusted Gross Income (AGI) limits.</li> <li>• Non-working spouses under the age of 70fi who file a joint tax return.</li> <li>• Eligibility is phased out for individuals with Adjusted Gross Income (AGI) of \$95K-\$110K.</li> <li>• Eligibility is phased out for married couples filing jointly with Adjusted Gross Income (AGI) of \$150-\$160K.</li> <li>• If your joint or individual Adjusted Gross Income (AGI) is \$100K or less<sup>3</sup>, you can convert a Traditional, Rollover, SEP or SIMPLE IRA (after 2 year period) assets to a Roth IRA.</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions are due by the individual's tax filing deadline excluding extensions - generally by April 15th.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum contribution is the lesser of \$2,000 or 100% of compensation for the 2001 tax year. Contributions for 2002 are set a maximum of \$3000 per year, with a \$500 catch -up contribution for those over 50 years of age.<sup>1,4</sup></li> <li>• Contributions are made with after-tax (or non-deductible) money.</li> <li>• Annual contributions must be made in cash.</li> <li>• Roth conversion contributions may be made in-kind.</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions can be withdrawn anytime - tax and penalty free<sup>5</sup>.</li> <li>• Distributions of earnings are tax and penalty free provided the Five Year Aging period is met<sup>6,7</sup>and:               <ul style="list-style-type: none"> <li>-Attainment of age 59fi</li> <li>-Death</li> <li>-Disability</li> <li>-Qualified first time home purchase (\$10,000 life time limit).</li> </ul> </li> <li>• No minimum distributions required at age 70fi.</li> </ul>

WHAT IS IT?	WHO IS IT FOR?	WHEN DO I SET IT UP?	HOW CAN I CONTRIBUTE?	WHEN CAN I ACCESS THE FUNDS? <sup>2</sup>
<b>3. ROLLOVER IRA</b>				
<ul style="list-style-type: none"> <li>Eligible distributions from qualified employer-sponsored retirement plan directly rolled over to Rollover IRA.</li> <li>Direct rollover avoids 20% withholding requirement on distributions from qualified plans.</li> <li>Account balance grows <u>tax deferred</u> until withdrawal.</li> </ul>	<ul style="list-style-type: none"> <li>Individuals who are either retiring or changing employers who want to keep retirement savings in a tax deferred account.</li> <li>Anyone with qualified employer-sponsored retirement assets.</li> </ul>	<ul style="list-style-type: none"> <li>An individual has 60 days from the date they receive an eligible rollover distribution to contribute the assets to a Rollover IRA.</li> </ul>	<ul style="list-style-type: none"> <li>Annual contributions may be permissible; however, commingling of Traditional IRA and Rollover IRA assets results in loss of future movement of Rollover assets to an employer-sponsored retirement plan.</li> <li>An individual may request a trustee-to-trustee transfer to establish a rollover which would not be subject to any deadline.</li> </ul>	<ul style="list-style-type: none"> <li>Penalty free distribution events: <ul style="list-style-type: none"> <li>-Attainment of age 59fi</li> <li>-Death or disability</li> <li>-Series of substantially equal payments</li> <li>-Health insurance premiums for certain unemployed individuals.</li> <li>-Qualified higher-education expenses</li> <li>-Qualified first time home purchase (\$10,000 life time limit)</li> <li>-Certain medical expenses in excess of 7.5% of Adjusted Gross Income (AGI).</li> <li>-IRS levy under Section 6331 of the Internal Revenue Code.</li> </ul> </li> <li>Minimum distributions must begin by April 1 following the year an individual turns age 70fi and must occur by Dec. 31 each year thereafter.</li> </ul>

- Total annual contributions to all of an individual's IRAs (Traditional and/or Roth) cannot exceed the lesser of \$2,000 or 100% of compensation.
- Distributions from IRAs prior to age 59fi may be subject to a 10% early withdrawal penalty unless an exception applies. If the qualified plan permits early withdrawals, a penalty of 10% generally applies if withdrawn prior to 59 fi.
- Married individuals filing separately are not eligible to convert IRA assets to a Roth IRA. A married individual filing separately and who lives apart from his/her spouse for the entire tax year is considered an individual for purposes of determining conversion eligibility.
- The maximum annual contribution to a Roth IRA is phased out for married couples filing separately with an Adjusted Gross Income between \$0 - \$10,000.
- Distributions are taken from the non-taxable portion of the Roth IRA first; only when all aggregate contributions have been withdrawn will any earnings be distributed (subject to taxation and an early withdrawal penalty unless an exception applies.)
- The Five Year Aging period begins on January 1 in the year on which you make your first Roth IRA annual contribution or, if earlier, January 1 of the year in which you make your first conversion contribution. All subsequent contributions receive this initial Five Year Aging date; however, each subsequent conversion contribution receives a separate Five Year Aging Date for purposes of determining if distributions are qualified distributions.
- If the Five Year Aging period is not met, distributions are penalty free (but not tax free) for: qualified higher education expenses, qualified first-time home purchase, (\$10,000 lifetime limit), series of substantially equal periodic payments, certain medical expenses in excess of 7.5% of Adjusted Gross Income (AGI), health insurance premiums for certain unemployed individuals, death, disability and IRS levy under Section 6331 of the Internal Revenue Code.