

Choose the IRA that meets your needs.

Know your IRA options using this quick reference to traditional IRAs, Roth IRAs and Coverdell Education Savings Accounts (ESAs).

The chart inside highlights the details and advantages of the accounts. If you are eligible for a traditional IRA and a Roth IRA and are still unsure which account is right for you, follow these general rules-of-thumb:

1. Choose a Roth IRA if you don't need the tax break right now. It's a more flexible investment because:
 - a. You can withdraw regular contributions at any time, tax-free and penalty-free.
 - b. You do not have to take mandatory distributions at age 70¹/₂.
2. Choose a traditional IRA if you want the tax deduction right now. It also makes sense if you anticipate paying taxes at a significantly lower rate in retirement.

Also remember, Coverdell ESAs offer tax-free distributions and, unlike section 529 plans, can be used for elementary and high school expenses at most public, private and parochial schools.

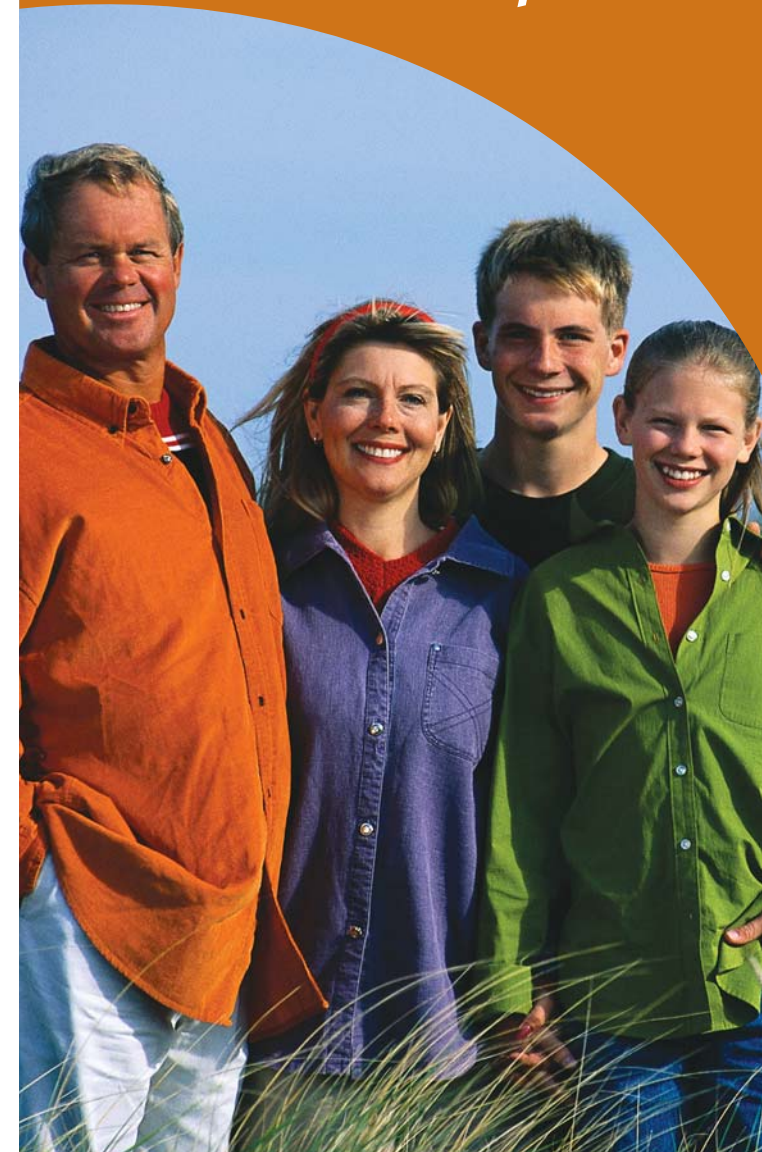
Call or Stop in Today

Our IRA professionals can answer your questions and help you open your account.

ira

individual retirement accounts

Comparing Your IRA Options



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

Who can contribute?

How much can I contribute?

Who can make deductible contributions?

What are the tax advantages?

When can I withdraw without restrictions?

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- Earnings are tax-free if account is open for five tax years and withdrawn for a qualified reason (age 59½, disability, death, or a first-time home purchase**)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- Regular contributions can be withdrawn tax-free and penalty-free at any time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**

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

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