

Individual Retirement Accounts (IRAs)



Roth IRA Fast Facts

A Roth Individual Retirement Account (IRA) can help you save for retirement by offering tax-free earnings accumulation and withdrawals, high income eligibility limits, tax-free withdrawals of contributions at any time and the ability to contribute as long as you earn income. Your financial advisor can help you determine your eligibility and decide whether a Roth IRA makes sense given your retirement savings goals.

Key features

- Qualified withdrawals of earnings are tax free
- High income eligibility limits
- Contributions can be withdrawn tax free at any time
- Contributions are permitted after age 70½
- No required minimum distributions (RMDs)

Eligibility requirements (2011)

For account owners filing taxes as an individual:

- Full contribution for account owners with Modified Adjusted Gross Income (MAGI) of less than \$107,000
- Partial, phased-out contributions for MAGI between \$107,000 and \$122,000

For account owners filing taxes jointly:

- Full contribution if MAGI is less than \$169,000
- Partial, phased-out contributions for MAGI between \$169,000 and \$179,000

Distribution requirements

- Distributions are tax and penalty free after account owner reaches age 59½ or the account has been open five years, whichever comes later
- 10% penalty for early withdrawals may be waived for certain qualified expenses

For More Information:

Art Tollett

806-886-0781

atollett@cba-inc.us

2011 tax year contribution limits

- Lesser of \$5,000 or 100% of earned income
- Participants age 50 and older may contribute an additional \$1,000
- Contributions are not tax deductible

2011 contribution deadline

- April 16, 2012
- Extensions may be granted for the Armed Forces. Please see the Armed Forces Tax Guide for more information at irs.gov

Roth IRAs may be suitable for

- Individuals who do not qualify for Traditional IRA tax deduction
- Individuals who expect to be in a higher tax bracket at retirement
- Individuals who want to make contributions beyond age 70½
- Individuals who need the ability to withdraw contributions at any time

Annual maintenance fees

- \$15 if the total value of the account owner's OppenheimerFunds accounts (both retirement and nonretirement accounts) is less than \$50,000
- \$10 if the total of these accounts is \$50,000 or more

