

## IRA Contributions

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Annual Contributions Limit	5,000	4,000	4,000
Catch-up Contributions	1,000	1,000	1,000

### **About IRA Contributions**

Traditional IRA contributions are deductible by the taxpayer at the time of the contribution. The earnings on the traditional IRA are tax deferred. Distributions from the IRA are taxable at the time of withdrawal. Another option available is the Roth IRA. Contributions to a Roth IRA do not reduce your current tax liability. However both the original contributions and the earnings can be withdrawn for retirement tax-free. Both types of IRAS have certain restrictions and limitations and may be subject to a tax penalty if withdrawn early.

Tax planning can help you to determine which types of IRA is right for you.