

An Individual Retirement Account (IRA) is an excellent tool for retirement savings. Unlike most investments, depending on the type of IRA you choose, contributions may be tax deductible and will grow either tax-deferred or tax-free.

Tax law changes have made IRAs even better. Consult your tax advisor.

**CONTRIBUTION DEADLINES**

Traditional IRAs and Roth IRAs must be opened and/or funded by the April 15th tax filing deadline to receive your tax deductions. A filing extension won't buy you time.

**TRADITIONAL IRA**

The annual contribution limit is \$4,000. After 2008, the contribution limit will be adjusted annually for inflation in \$500 increments. The annual limit applies to any combination of IRA plans. Contributions are fully tax-deductible if you are not an active participant in an employer retirement plan. Investments grow on a tax-deferred basis. Distributions must begin at age 70 1/2. Earnings are taxed only upon withdrawal.

**ROTH IRA**

As long as you have earned income, you can establish and contribute to a Roth IRA even after age 70 1/2. While contributions are not tax deductible, contributions and earnings can be withdrawn tax-free, and unlike traditional IRAs, you are not required to begin taking minimum distributions after reaching age 70 1/2. By converting your traditional IRA to a Roth IRA, you can enjoy tax-free withdrawals. However, the amount you convert is subject to income tax now.

**MAKING-UP FOR LOST TIME**

Catch-up contributions-Individuals who have reached age 50 by the end of the year will be able to make additional catch-up contributions of \$1,000 per year to their traditional or Roth IRA.



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# INDIVIDUAL RETIREMENT ACCOUNTS



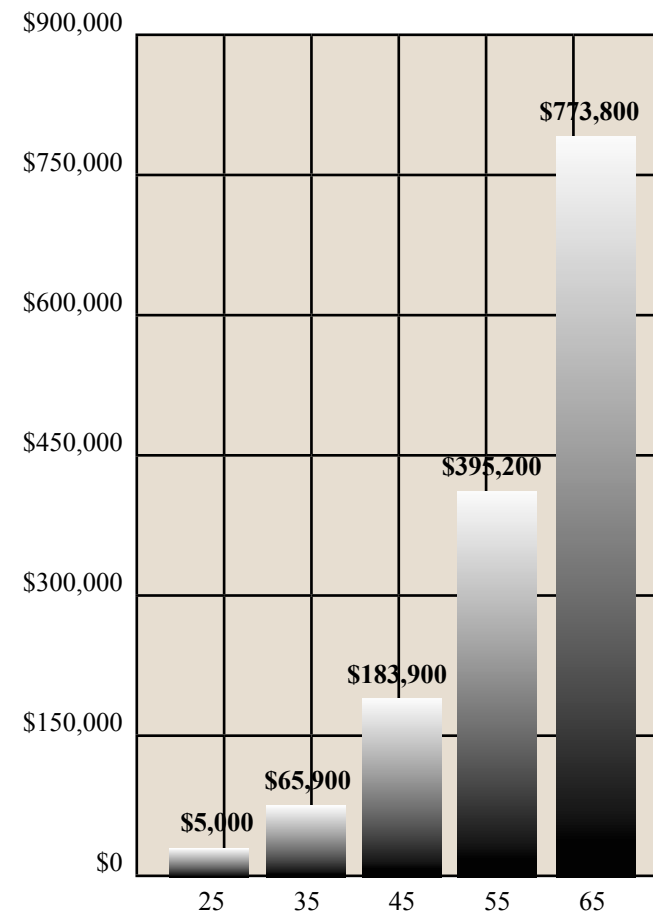
# WHAT'S THE DIFFERENCE?

	TRADITIONAL IRA	ROTH IRA						
<b>QUALIFICATIONS</b>	Must have earned income and not have reached age 70 1/2 by the end of the year.	Must have earned income. There are no age restrictions.						
<b>MAXIMUM CONTRIBUTIONS</b>	<u>Taxable years beginning</u> In 2008 and after.....\$5,000*	<u>Taxable years beginning</u> In 2008 and after.....\$5,000*						
<b>CATCH-UP (50+OVER)</b>	2008 and after.....\$1,000*	2008 and after.....\$1,000*						
<b>TAX STATUS OF EARNINGS</b>	Tax-deferred until withdrawal.	Not taxed. Earnings grow tax-free.						
<b>CONTRIBUTION RESTRICTIONS (BASED ON ADJUSTED GROSS INCOME)</b>	Yes, if active participant in employer retirement plan. <i>CONTRIBUTION PHASEOUTS</i> <table border="1"> <thead> <tr> <th></th> <th>SINGLES</th> <th>MARRIED JOINT</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>\$53,000-\$63,000</td> <td>\$85,000-\$105,000</td> </tr> </tbody> </table>		SINGLES	MARRIED JOINT	2008	\$53,000-\$63,000	\$85,000-\$105,000	For the 2008 tax year \$101,000-\$116,000 for singles, and \$159,000-\$169,000 for married couples filing jointly.
	SINGLES	MARRIED JOINT						
2008	\$53,000-\$63,000	\$85,000-\$105,000						
<b>TAX DEDUCTION</b>	Yes. Contributions up to the limit are fully tax deductible if you are not an active participant in a retirement plan. Otherwise phaseout rules apply.	No.						
<b>PENALTIES FOR EARLY WITHDRAWAL</b>	None if: <ul style="list-style-type: none"> <li>• Over 59 1/2</li> <li>• Death or disability</li> <li>• Qualified medical expenses</li> <li>• Certain health insurance</li> <li>• Qualified college expenses</li> <li>• 1st time home purchase (up to \$10,000)</li> <li>• Due to IRS levy</li> <li>• Periodic payments</li> </ul>	None if: <ul style="list-style-type: none"> <li>• Over 59 1/2</li> <li>• Death or disability</li> <li>• Qualified medical expenses</li> <li>• Certain health insurance</li> <li>• Qualified college expenses</li> <li>• 1st time home purchase (up to \$10,000)</li> <li>• Due to IRS levy</li> <li>• Periodic payments</li> </ul>						
<b>REQUIRED DISTRIBUTIONS</b>	Must begin by April following year participant turns 70 1/2.	Only after death of the participant.						
<b>CONTRIBUTIONS AFTER AGE 70 1/2</b>	Not allowed.	Allowed.						

\* To be adjusted annually for inflation in \$500 increments.



The performance of a \$5,000 a year retirement investment plan over time at 6% shows the value of starting early and contributing regularly.



**Retirement Savings Insured to \$250,000**