



Growing Profits.
Reducing Taxes.

2012 Retirement Plans & IRA's

New limits for retirement plan contributions for 2012:

401(k) and Roth 401(k)	\$17,000
Age 50 and over catch up	\$ 5,500
SIMPLE plan	\$11,500
Age 50 and over catch up	\$ 2,500
IRA & Roth IRA	\$ 5,000
Age 50 and over catch up	\$ 1,000

There are several strategies to consider in making the decision to make regular or Roth 401(k) and IRA contributions:

- 1) In a lower income year consider Roth contributions, as they are taxable income in the current year.
- 2) In a higher income year consider regular contributions as they would be excluded from current taxable income and taxed when withdrawn.
- 3) As an estate planning tool use the Roth options. Distributions to beneficiaries are tax-free.
- 4) Use a combination of Roth and regular contributions to protect against unknown future tax rates.

If you have questions about retirement plans and which ones would work best for your situation please contact us and we will gladly assist in the decision making process.