

# Table of Contents

General Disclaimer and Copyright .....	i
About The Author .....	ii
1. Limits for IRAs and Employer Plans.....	1
2. Summary of IRA Set-Up Operational Procedures .....	2
How to set up your IRA .....	2
Quick Tips: Designating your beneficiary.....	3
3. Traditional IRA Features and Benefits .....	4
4. Roth IRA Features and Benefits .....	6
5. Traditional IRA Funding Options .....	7
Option 1: Regular Traditional IRA Contribution .....	7
Option 2: Spousal Traditional IRA Contributions .....	7
Option 3: Recharacterization of Contribution Made to Roth IRA.....	8
Option 4: Deemed Traditional IRA Contribution .....	8
Option 5: Payroll Deduction IRA .....	8
Option 6: Employer-Sponsored IRA .....	8
Option 7: Rollover from qualified plans [401(a) and 403(a)], 403(b) and governmental 457(b) plans [Not a Designated Roth Account (DRA)] .....	9
Option 8: Airline Bankruptcy Payments.....	10
6. Roth IRA Funding Options.....	11
Option 1: Regular Roth IRA Contribution.....	11
Option 2: Spousal Roth IRA Contributions.....	11
Option 3: Recharacterization of Contribution Made to Traditional IRA.....	12
Option 4: Deemed Roth IRA Contribution .....	12
Option 5: Payroll Deduction IRA .....	12
Option 6: Employer-Sponsored IRA .....	12
Option 7: Conversion from Traditional IRA, SEP IRA and SIMPLE IRA .....	13
Option 8: Retirement plan rollovers from qualified plans [401(a) and 403(a)], 403(b) and governmental 457(b) plans [ non-Roth] .....	13
Option 9: Designated Roth Accounts (DRA)[Roth 401(k), Roth 403(b) and Roth Governmental 457(b)] Rollovers.....	14
Option 10: Airline Bankruptcy Payments.....	15
Option 11: Military Death Gratuities and Service members' Group Life Insurance (SGLI) Payments ....	16
7. Roth IRA vs. Traditional IRA .....	17
8. Traditional IRA Deductibility .....	19

Eligibility to deduct regular Traditional IRA Contribution.....	19
Determination of “Who Is an Active participant” in an Employer Sponsored Retirement Plan .....	20
9. Saver’s Credit (Retirement Savings Contributions).....	21
Eligibility Requirements .....	21
Eligible Contributions .....	21
Credit Amount.....	22
Reduction of Eligible Contributions .....	22
IRA Contribution Checklist .....	23
10. Rollover and Transfer Permissibility .....	24
Summary of rollover/transfer permissibility between different type of accounts .....	24
Quick Reference: Rollover and Transfer Limitations for IRAs.....	25
Quick Reference: Rollover and Transfer Rules for Nonspouse Beneficiaries .....	26
The Portability Lingo: Recommend when communicating with financial institutions and plan trustees .....	27
11. Early Distribution Penalty Exceptions .....	28
Exceptions to the 10% Early Distribution Penalty ‘by Type of Account’ .....	28
Quick Reference: Substantially Equally Periodic Payments/SEPP/72(t) .....	29
12. Roth IRA Distribution:Tax and Penalty Treatment.....	30
Quick Reference # 1: Amounts Subject Income Tax and/or the 10% Penalty .....	30
Quick Reference # 2  Tax and Penalty Determination on Non-qualified Distribution from a Roth IRAs 30	
13. Required Minimum Distributions .....	32
Accounts Subject to RMDs .....	32
RMD Deadlines for Account Owners .....	32
RMDs and Portability: Summary.....	33
RMD Aggregation Rules .....	33
RMD Related Definitions.....	34
IRA RMD Calculation Formula.....	35
Uniform Lifetime Table .....	35
14. IRA Beneficiary Options .....	36
Quick Reference Guide: Chart Summarizing IRA Beneficiary Options.....	36
Quick Reference: Comparison of Traditional IRA Beneficiary Distribution Options.....	37
Quick Reference: Roth IRAs: Beneficiary Distribution Options.....	39
Qualified Trust Definition.....	39

Quick Reference: Portability Options for Inherited Assets from Employer Plans, Traditional IRAs and Roth IRAs.....	40
Distribution Checklist.....	41
Beneficiary Distribution Checklist and Tips.....	41
15. Quick Reference: Simplified Employee Pension (SEP IRA)s .....	42
16. Tax Reporting Forms and Requirements for IRAs .....	43
Appendix A. Life Expectancy Tables.....	a
Single Life Expectancy-For Use by Beneficiaries .....	a
Uniform Lifetime Table: For use by Unmarried Owners, Married Owners Whose Spouses Are Not More Than 10 Years Younger, and Married Owners Whose Spouses Are Not the Sole Beneficiaries of Their IRAs).....	c
Appendix B: IRS' Guide to Distribution Codes for Form 1099-R, as provided to your IRA Custodian/Trustee by the IRS .....	d
Appendix C: Transactions Reported on IRS Forms 1099-R and 5498 .....	h