



## Traditional or Roth: Which IRA is Right for You?

### Making the most of your retirement savings

IRAs. You know what they are. You think you should have one. But which one is right for your retirement?

Retirement-minded individuals have the option of choosing between the tax-deductible benefit of a traditional IRA or the tax-free earnings growth of a Roth. Both are powerful savings tools, but to maximize the benefits of an IRA, you and your financial advisor should determine which one best fits your retirement plan.

IRAs at a Glance		
	Traditional IRA	Roth IRA
<b>Who is eligible?</b>	Anyone under 70½ with earned income	Anyone, regardless of age, with earned income that does not exceed these modified adjusted gross income (AGI) limits: <ul style="list-style-type: none"> <li>■ Individuals – Up to \$116,000 for 2008 (\$120,000 in 2009)</li> <li>■ Couples filing jointly – Up to \$169,000 for 2008 (\$176,000 in 2009)<sup>1</sup></li> </ul>
<b>Contributions<sup>2</sup></b>	Maximum of \$5,000 (\$6,000 if 50 or older) in 2008 and 2009 May be tax deductible <sup>3</sup> Not permitted after 70½	Maximum of \$5,000 (\$6,000 if 50 or older) in 2008 and 2009 Not tax deductible Permitted after 70½
<b>Earnings</b>	Tax deferred	Tax free for those 59½ and older with accounts that have been open for five or more years
<b>Withdrawals before 59½</b>	Deductible contributions and earnings taxed as ordinary income and subject to a 10% premature distribution penalty (exceptions may apply)	Contributions may be withdrawn at any time for any reason without taxes or penalties <sup>4</sup> Earnings taxed as ordinary income and subject to a 10% premature distribution penalty (exceptions may apply) <sup>4</sup>
<b>Withdrawals after 59½</b>	Deductible contributions and earnings taxed as ordinary income Required minimum distributions (RMDs) upon reaching 70½	Contributions may be withdrawn at any time for any reason without taxes or penalties <sup>4</sup> Earnings can be withdrawn after five years without taxes or penalties <sup>5</sup> No 70½ RMDs

This information is not intended as tax advice. Tax information is based on federal income tax law. State and local income tax laws may differ. Please consult your tax advisor about your particular situation. Invesco Aim representatives are not tax advisors.

- 1 For married couples filing separately in 2008 and 2009, the modified AGI limit is \$10,000. Phase out for individuals begins at \$101,000 in 2008 and \$105,000 in 2009. Phase out for couples filing jointly begins at \$159,000 in 2008 and \$166,000 in 2009.
- 2 Contribution limits phase out based on the IRA owner's and spouse's modified AGI.
- 3 Deductibility depends on the IRA owner's and spouse's modified AGI and whether the owner is covered by an employer-sponsored retirement plan.
- 4 Each distribution is considered to come first from contributions, then from earnings.
- 5 If the individual is at least 59½, dies, is disabled or uses up \$10,000 of the account's earnings for a first-time home purchase.

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### Does an IRA fit into your retirement strategy?

Tax laws related to IRAs are complex, and every investor's situation is unique. To determine how a traditional or Roth IRA may fit into your overall retirement strategy, talk to your financial advisor, who understands your specific needs and goals. Your financial advisor will ask you questions to determine which IRA may be best for you, for example:

- Are you or your spouse covered by a retirement plan at work?
- What is your modified AGI?
- Do you expect your tax rate at retirement to be significantly lower?
- Do you need to make an immediate tax-deductible contribution?
- Will you retire in five or more years?
- Do you anticipate using your IRA as an estate-planning tool?
- Do you need the flexibility to withdraw money from your IRA prior to 59½?

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### Talk to your financial advisor

Your sights are set on a financial summit – a college degree, new home or secure retirement. One of the best ways to help reach your goal is to partner with a strong team: a financial advisor who can provide sound guidance based on your individual needs and an investment company that can deliver a broad range of diversified strategies. Talk to your financial advisor about how an investment plan and Invesco Aim can help you pursue your financial goals.

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**Consider the investment objectives, risks and charges and expenses carefully. For this and other information about AIM funds, obtain a prospectus from your financial advisor and read it carefully before investing.**

*Past performance cannot guarantee future results.*

**Note:** Not all products, materials or services available at all firms. Advisors, please contact your home office.

This information is not intended as tax advice. Investors should consult a tax advisor.

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## Supplemental Information

After the close of business on Dec. 31, 2009, Invesco Aim Advisors, Inc., Invesco Aim Capital Management, Inc., Invesco Aim Private Asset Management, Inc. and Invesco Global Asset Management (N.A.), Inc. merged into Invesco Institutional (N.A.), Inc., which was renamed Invesco Advisers, Inc.

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