



ED SLOTT'S IRA ADVISOR

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September 2010

TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

Exclusive Chart:
2010 Multiple Retirement Plan Contribution Limits
See pages 4-7

A User's Guide for the Retirement Contributions Chart

Guest IRA Expert



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Clients are only allowed to contribute up to a certain amount per retirement account each year. For IRAs, the total contribution limit is the same regardless of how many traditional IRAs and/or Roth IRAs your client may have.

Clients are usually provided information by their employer to help them understand the contribution limits and other rules for that employer's retirement plan. On the other hand, information on maximizing contributions to multiple retirement plans is generally not readily available. Helping clients to understand the potential opportunities to shelter more of their earnings from income tax can lead to an increase in asset gathering and retention for your business.

2010 IRA/Roth IRA Contribution Limits

Clients can contribute 100% of their earned income for the year to a traditional IRA and/or Roth IRA, up to a maximum amount of \$5,000 (\$6,000 if the client is at least age 50 by the end of the year). Clients may spread their IRA contributions among more than one traditional IRA and/or Roth IRA, provided the total contributions for the year do not exceed the \$5,000/\$6,000 limit.

2010 Employer Plan Limits

Working for One Employer

If your client works for only one employer, the maximum dollar amount that can be contributed to an employer plan on his behalf is as follows:

- \$49,000 in employer contributions to SEP IRAs, profit sharing plans and/or money purchase pension plans.

- \$49,000 in employer contributions and salary deferral contributions (combined) to 401(k) and 403(b) plans. If your client is 50 or older by the end of the year, he may contribute an additional \$5,500 as catch-up salary deferral contributions.

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SIMPLE IRA October 1st Deadline

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2010 Limitations When Individuals Own or Participate in Multiple Retirement Plans

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