

Retirement Accounts Eligibility & Updates

Traditional Individual Retirement Account (IRA)

Who is eligible: Anyone who has earned income and is under the age of 70 ½ contribute to an IRA. Individuals over the age of 70 ½ can maintain an IRA, but they cannot make contributions to it.

Update: For 2010, contribution limits are \$5,000. For those who are 50 years of age and older in 2010, an additional catch-up provision of \$1,000 can be contributed.

Roth IRA

Who is eligible: Anyone who has earned income below set income levels. Unlike Traditional IRAs, contributions can be made by individuals over 70 ½ provided that their modified adjusted gross income in 2010 does not exceed \$105,000 for an individual or \$167,000 for a married couple filing jointly and \$120,000 and \$177,000, respectively, for 2010.

Update: Contribution increases are identical to those for Traditional IRAs. Therefore, contribution limits are \$5000 for 2010. For those who are 50 years of age and older in 2010, an additional \$1,000 catch-up provision can be contributed.

SIMPLE (Savings Incentive Match Plan for Employees) IRA

Who is eligible: Anyone who has earned income of \$5,000 in any two previous years and is expected to earn \$5,000 in the current year.

Update: For 2010, the contribution limit per employee is \$11,500. SIMPLE catch-up contributions are \$2,500 for those 50 years of age or older in 2010.

SEP (Simplified Employee Pension) Account

Who is eligible: Self-employed individuals who have earned income.

Update: Up to 25% of compensation or \$49,000 (2010), the lesser of the two.

403(b)(7) Account

Who is eligible: Anyone who is a public school, hospital or church employee, or an employee of certain tax-exempt employers who offer this retirement plan.

Update: Contribution limits are \$16,500 in 2010. Catch-up provisions of \$5,500 for those 50 years of age and older in 2010 are also available.

Individual (k) Account

Who is eligible: This plan is designed for owner-only businesses or businesses that can be excluded under federal laws governing plan coverage requirements.

Update: For 2010, the discretionary profit sharing component is up to \$16,500 for this year. Also, the catch-up contribution is \$5,500 for 2010.

We offer no-fee retirement accounts.

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