



Contact:

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Q: Which is better for me? a Roth IRA or deductible IRA?

A: This really depends on your situation, typically if you are in a lower income year (a low tax bracket) a Roth will make more sense because when you pull the money out of a Roth at retirement you are likely to be in a higher tax bracket. You want to use the deductible IRA in years where your tax bracket is higher. Of course other restrictions apply.

Q: What type of retirement plans are available if I'm self employed?

A: There are many to choose from. SEP, Keogh, Defined Benefit, 401k Profit Sharing, Solo 401k, even an IRA. Deciding what's best for you is a discussion that should involve your CPA.

Q: Are there penalties if I need to take money out of my retirement?

A: It depends on the purpose, what type of plan it is, and how old you are. Before you make this decision discuss with your CPA.

Q: What is a back door Roth contribution?

A: A back door Roth contribution consists of making a contribution to a non deductible IRA, and then subsequently converting it into a Roth IRA. There are several tax traps to doing this including aggregation rules. Please consult your CPA before deciding this route.