

# Roth IRA

Key Advantages	- Tax-deferred growth - Potential for tax-free withdrawals
Eligibility	You must have earned income and cannot exceed the IRS Modified Adjusted Gross Income limit. Earned income includes wages, salaries, tips, professional fees, bonuses, commissions, self-employment income, alimony and separate maintenance payments.
Limit for Tax Year 2008	\$5,000
Additional "catch-up" contribution for those age 50 and over	\$1,000
Deductibility of contributions	Not permitted.

**Q Can I make a contribution and designate it for the prior tax year?**

A Yes, if it is made by April 15<sup>th</sup>.

**Q I am under 50 years old. For 2008, can I contribute \$5,000 to my Traditional IRA and \$5,000 to my Roth IRA?**

A No, you are limited to \$5,000 in total.

**Q Is there an investment minimum?**

A Yes. It is \$2,000 per Fund.

**Q Is there an annual fee?**

A Yes. If your IRA balance is less than \$10,000, there is a charge of \$15 per year.

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## SIT MUTUAL FUNDS ROTH IRA

### Roth IRA Eligibility

**Q How much can I contribute to my Roth IRA each year?**

A It depends on your tax filing status, Modified Adjusted Gross Income (MAGI) and age. See the table below.

<b>Tax Year 2008: Roth IRA Contribution Limits</b>			
<b>Tax Filing Status</b>	<b>MAGI</b>	<b>Less than 50 years old</b>	<b>Age 50 and older</b>
Single Filer	<\$101,000	\$5,000	\$6,000
	\$101,000 - \$116,000	Partial contribution	Partial contribution
	\$116,000+	No contribution permitted	No contribution permitted
Married, Filing Jointly	<\$159,000	\$5,000	\$6,000
	\$159,000 - \$169,000	Partial contribution	Partial contribution
	\$169,000+	No contribution permitted	No contribution permitted

**Q Can I convert my Traditional, Rollover, SEP or SIMPLE IRA to a Roth IRA?**

A Yes, as long as your MAGI does not exceed \$100,000. If you are married, you must file your taxes jointly.

**Q Do I add the conversion amount to my MAGI when determining whether or not I am under the \$100,000 threshold?**

A No, your MAGI is determined before including income as a result of the conversion.

**Q If I convert, will I owe income taxes?**

A You will owe income taxes but not a 10% penalty tax. See IRS Form 8606 for more information (1-800-TAX-FORM or at [www.irs.gov](http://www.irs.gov)).

**Q How do I convert my Sit IRA to a Sit Roth IRA?**

A Call us for an IRA Conversion Form or obtain one at [www.sitfunds.com](http://www.sitfunds.com).

***For more information or to open a Roth IRA, please contact  
a Sit Mutual Funds Investor Services Representative at:  
800-332-5580***