



Season's Greetings

New Roth Rollover Opportunity!

Eased Roth IRA Conversion Rules Facilitate Conversions in 2010

Roth IRAs, unlike traditional IRAs, are funded with after-tax dollars. And withdrawals from Roth IRAs, unlike traditional IRAs, are tax-free under certain conditions (after five years and after age 59 1/2). As with traditional IRAs, the money inside Roth IRAs grows tax-free. But one big difference between Roth IRAs and traditional IRAs is this: Roth IRA owners don't have to worry about required minimum distributions beginning at age 70 1/2.

Some experts say taxpayers who qualify and who think they will be in a higher tax bracket when they are retired should consider Roth IRAs. Others experts who advocate for something called tax diversification say taxpayers should consider Roth IRAs if only because it gives them the ability to take distributions from either a traditional or a Roth IRA down the road, whichever might be more tax-efficient.

In 2009, taxpayers who have modified adjusted gross income (MAGI) over \$100,000 (or who are married and file separate returns) cannot convert from a traditional IRA to a Roth IRA. Similarly, if you are entitled to a distribution from your 401(k) or other qualified plan, those restrictions will prevent you from rolling over your account to a Roth IRA. MAGI is regular adjusted gross income (the number reported on the bottom of Page 1 of the 1040 tax return) plus any amounts deducted or excluded for foreign earned income exclusion; foreign housing; domestic production activities; series EE bond interest used to pay for higher education; student loan interest or qualified tuition; employer-paid adoption expense; and traditional IRA contributions. Subtracted from that number is any income from the Roth conversion itself and for conversions, not contributions, subtract required minimum distributions (RMDs) from IRAs only.

For 2010 and later years, the MAGI and separate return restrictions are repealed. Moreover, by virtue of a special relief rule, any tax owed as a result of a Roth conversion in 2010 may be paid in two equal installments in 2011 and 2012, respectively. In effect the IRS

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BCG Extends Holiday Wishes

BCG wishes all of its clients, friends and associates a joyous holiday season.

We look forward to working with you toward a productive and eventful New Year.

Holiday Schedule For December

BCG observes holidays in accordance with the New York Stock exchange, which is scheduled to close at 1PM EST Thursday, December 24th through Friday, December 25th. As a result, our Retirement Services Center will also close at 1PM EST 12/24 and will again be available to support

gives you a two year interest free loan. Therefore, anyone interested in the benefits a Roth IRA has to offer should consider making the conversion in 2010.

Benefit Consultants Group

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For more information about our services, please call 800-524-401k, or visit our website at www.bcgbenefits.com.



you at 8AM EST
Monday, December
28th.

As always, you can gain access to plan and participant account information by logging on to www.bcgbenefits.com or calling our automated information line at (888) 558-401k.