

## If you're self-employed or own a business...

You may be able to establish a Simplified Employee Pension Plan (SEP-IRA), which offers more generous contribution limits than regular IRAs. You may also have the option of using other types of qualified retirement plans. For more information, contact your investment representative to discuss your options or call The Commerce Funds directly at 1-800-995-6365.

# Quick Guide

## A quick guide to IRAs

	Deductible Traditional IRA	Roth IRA
Who is Eligible?	Anyone under age 70 ½ with earned income below certain limits or who is not eligible to participate in a qualified retirement plan at work.	Anyone with earned income below certain income limits.
Annual Contribution Limit	\$5000	\$5000
Deductible Contributions?	Yes, if you do not have an employer-sponsored retirement plan or if you have a plan but your earned income is below certain levels.	No
Earnings Grow Tax-Deferred?	Yes	Yes
Earnings Taxed Upon Withdrawal?	Yes	No
Distributions and Penalties	Distributions are penalty-free after age 59 ½, though tax-deductible contributions and earnings are taxable. Distributions prior to age 59 ½ may incur a 10% penalty unless there is an exception. Individuals, who do not start required minimum distributions by age 70 ½, may also be subject to penalties.	If an account has been established for five years, contributions and their earnings may be distributed tax-free for qualified purposes. Non-qualified distributions may be taxable and may incur a 10% penalty unless there is an exception.
Mandatory Distributions?	Yes, distributions must begin by age 70 ½.	No, you can continue contributions as long as you have earned income and postpone distributions for as long as you like.