

Subject: April 2003

Save taxes with IRA's

There is still time to save taxes with an IRA.

Under the current tax law, there are two significant ways that you may be able to benefit today by contributing money to an IRA.

1) If you qualify for a deductible IRA, you can likely deduct the amount of the contribution from your taxable income and reduce your current year tax bill. The following is a brief description of who qualifies for a deductible IRA

- a) If you did not have a qualified plan available to you through your employer in 1992 you can likely contribute to an IRA and deduct the contribution from your taxes.
- b) If you had a qualified plan available at work, but your adjusted gross income was below \$54,000 (if married) or \$34,000 (if single) then you may be able to deduct part or all of your IRA contribution. We suggest checking with us or your account for details about your particular situation.

2) Depending on your adjusted taxable income, you may qualify for a tax credit of up to 50% of the contribution to your IRA. This credit would apply to contributions made to both Regular deductible IRA's and Roth IRA's.

For your convenience, we have attached more information about this tax credit. As you can see the credit applies only to lower income couples and individuals. We realize that most of you cannot benefit from this credit but you may know someone who is "just getting started". Many of these individuals may be able to benefit from this tax credit. Feel free to pass this information along to them.

By the way, this credit is good only through tax year 2006, so if someone qualifies, it's use it or lose it.

Don't forget that there are additional benefits to investing into an IRA.

- 1) The accounts grow without current taxes and in the case of a Roth IRA they grow tax free.
- 2) Roth IRA's allow contributions with higher income limits.
 - * You can contribute to a Roth if your adjusted gross income is below \$160,000 (for married couples) or \$110,000 (for individuals)

This is a very brief overview of the benefits and rules regarding IRA's. For information about your individual situation, we recommend you contact your accountant or give us a call.

**Past performance does not assure future results. Investors cannot invest directly in the stock market indexes such as the S&P 500. Invest return and principal value of an investment will fluctuate. Investor value, when sold, may be worth more or less than their original cost.

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