CREDIT FOR QUALIFIED PLAN CONTRIBUTIONS

- Tax Credit of up to 50% of the first $2,000 of an individual's contribution to a 401(k) plan, 403(b) annuity, 457 plan, SIMPLE, SARSEP, traditional or Roth IRA. The credit is determined by using the individual's applicable percentage:

Modified Adjusted Gross Income			
Joint Return	Head of Household	Single and MFS	Applicable %
$0-$31,000	$0-$23,250	$0-$15,500	50%
$31,001-$34,000	$23,251-$25,500	$15,501-$17,000	20%
$34,001-$52,000	$25,501-$39,000	$17,001-$26,000	10%
>$52,000	>$39,000	>$26,000	0%

- Credit can only be used to offset income tax – "Non-Refundable."
- To be eligible for the credit a taxpayer must be 18 years old by the end of the tax year, cannot be claimed as a dependent on someone else's return, and may not be a full-time student.
- A $2,000 gift to a son or daughter's IRA could result in your child receiving a $1,000 tax credit.
- You have until April 15, 2008 to make an IRA contribution to take advantage of this credit.

REQUIRED MINIMUM DISTRIBUTIONS (RMD)

New rules simplify the calculation of the required minimum distributions from qualified retirement plans and IRAs. The joint life table is no longer used (unless there is a spousal beneficiary more than 10 years younger). All other RMDs now use the table below. The required minimum distribution for 2007 is equal to the December 31, 2006 account balance divided by the applicable divisor:

Age	Divisor	Age	Divisor	Age	Divisor
70	27.4	80	18.7	90	11.4
71	26.5	81	17.9	91	10.8
72	25.6	82	17.1	92	10.2
73	24.7	83	16.3	93	9.6
74	23.8	84	15.5	94	9.1
75	22.9	85	14.8	95	8.6
76	22	86	14.1	96	8.1
77	21.2	87	13.4	97	7.6
78	20.3	88	12.7	98	7.1
79	19.5	89	12.0	99	6.7

BENEFITS OF IRA DISTRIBUTIONS GOING TO CHARITY

Qualified taxpayers can now cause up to $100,000 per year of IRA distributions to go directly to an eligible charity without first being taxed on the distributions. To be qualified, a distribution must-

- Be made from an IRA (other than a simplified employee pension or a SIMPLE IRA).
- Occur no earlier than when the taxpayer turns age 70 ½.
- Be made directly by the trustee to a public charity or a private foundation that is not a supporting organization or a donor advised fund.
- Meet the normal requirements for a deductible charitable contribution.
- Be a distribution that would otherwise be taxable.
- Scheduled to expire December 31, 2007.

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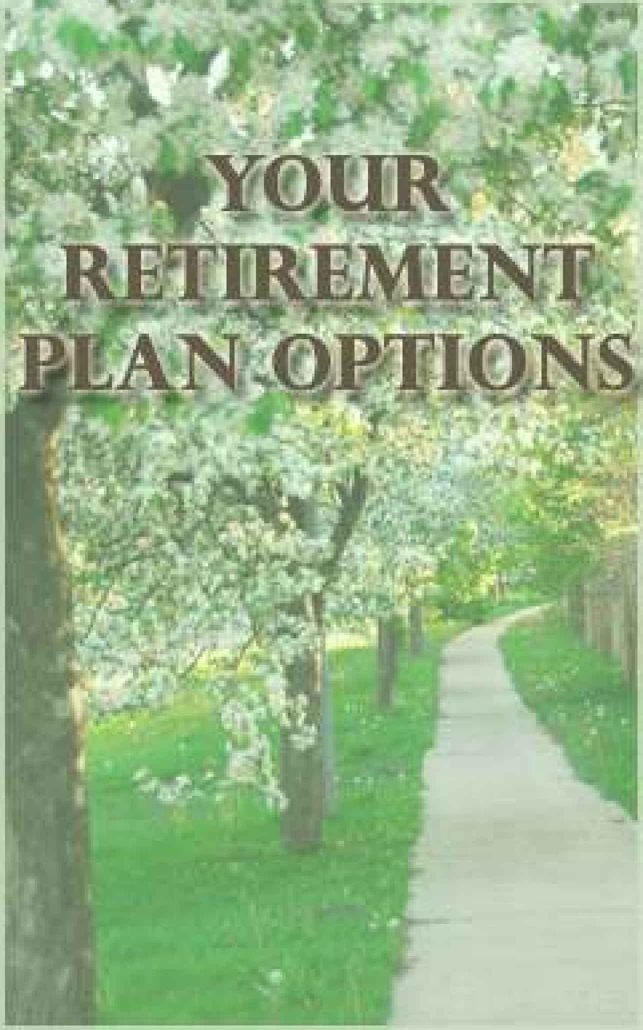
TAX GUIDE



YOUR RETIREMENT PLAN OPTIONS

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ROTH IRAs

- Contributions to a regular IRA reduce the amount you can put into a Roth IRA.
- $4,000 each per taxpayer and spouse, including a non-working spouse.
- $1,000 catch-up contribution may be made if age 50 or older.
- Contributions can be made up to **April 15, 2008.**
- Contributions can be made after age 70 ½.
- No required distributions.
- In order for withdrawals to be tax and penalty free, the Roth IRA must be left in place for five years from the time of the first contribution.
- Contributions are not tax-deductible, but earnings are tax-free.
- Withdrawals for the purchase of a first home (up to $10,000) may be tax-free and penalty free if the Roth IRA was in place for five years.
- Earnings on distributions prior to age 59 ½ are subject to taxes at ordinary rates and a 10% penalty with few exceptions.
- Distributions after age 59 ½ are tax and penalty free if the five year rule is met.
- Regardless of coverage by employer retirement plan, subject to phase-out rules.

ROTH IRA ROLLOVERS

- You may rollover all or part of a regular IRA into a Roth IRA.
- Rollover is 100% taxable in current year of rollover.
- The Roth IRA must be left in place for five years to be tax and penalty free.
- Rollovers are **NOT** allowed if:
  - The taxpayer is married, filing separate.
  - The taxpayer's AGI exceeds $100,000.

TRADITIONAL IRAs

- Contributions can be made by individuals who receive compensation that is includible in gross income.
- Annual contribution limits for taxpayer and spouse is $4,000, including a non-working spouse.
- Contributions can be made up to **April 15, 2008.**
- Contributions can ***only*** be made prior to age 70 ½.
- Mandatory distributions begin once the taxpayer attains age 70 ½.
- Restrictions exist if covered by a qualified plan at work.
- Distributions prior to age 59 ½ are subject to taxes at ordinary rates and a 10% penalty with few exceptions.
- Distributions after age 59 ½ are taxed at ordinary rates.

PENSION PLAN CONTRIBUTION LIMITS

Roth and Traditional IRAs

Year	Maximum Contribution	Catch-Up Amount
2007	$4,000	$1,000
2008	$5,000	$1,000

SIMPLE Plans

Year	Maximum Contribution	Catch-Up Amount
2007	$10,500	$2,500
2008	$10,500	$2,500

401(k), 403(b), 457, and SARSEPs

Year	Maximum Contribution	Catch-Up Amount
2007	$15,500	$5,000
2008	$15,500	$5,000

SEP and Defined Contribution Plans

Year	Maximum Employee Contribution	Maximum Self-Employed Contribution	Maximum Eligible Contribution
2007	25%	20%	$225,000
2008	25%	20%	$230,000