



# Take Care of the Future Now with an IRA

Drug Cure.net, January 29, 2008

URL: <http://www.pr9.net/business/financial/7198january.html>

*Retirement pays and other pension plans are usually planned out together with the government and businesses that employ the hard-working Americans of the country. But with the IRA or individual retirement account, private individuals now have better choices about what kind of future they wish to have.*

PR9.NET January 29, 2008 - Huntington Beach, California - The future has always been distant and vague, but just because it's so doesn't mean there's no longer any need for worry. The future will come and the earlier one prepares for it the better. Nowadays, however, people have the option not to solely rely on the government and/or the company they're working to ensure their security in the future. Now, they have the option to take their future in their own hands with IRA.

IRA stands for individual retirement account and was established with the amendments made in the Internal Revenue Code of 1954 and through the Employee Retirement Income Security Act of 1974. An individual is free to establish an IRA with any bank, brokerage house, or financial institution that's legally capable of accumulating tax-free, or in some cases taxable, assets.

Cash contributions are required for individual retirement accounts and get to enjoy tax advantages until a withdrawal has been made. Other forms of assets may be acceptable, but only if they come from a 401k account or any other IRA. Any other assets would be instantly taxable.

Other people besides the owner of the IRA may make contributions to the account but only if they meet the guidelines prescribed by the authorities. For the year 2007, one-hundred percent of an individual's income may be transferred to his IRA. For ROTH individual retirement accounts, however, annual contribution can only amount to a maximum of \$4,000 per annum but this may be increased up to \$5,000 for account holders who are over 50 years old.

A Roth IRA has several key differences with a traditional IRA. Its contributions do not, for instance, enjoy similar tax privileges but withdrawals made from it may be tax-free. To enjoy special privileges with a ROTH individual retirement account, the account holder must be at least 59 ½ years old and his account must have been active for at least five years.

With a traditional individual retirement account, withdrawals are less lax. In fact, withdrawals may only be made if the account holder is at least 59 ½ years old. Any withdrawals made prior to that would subject withdrawals to penalty and various kinds of taxes. There are of course exceptions to the rule. Penalties may be avoided, for instance, if the account holder has a need to purchase a primary residence for himself.

IRA account holders may be permitted to "borrow" from their own account, but they're held liable to pay it back and together with an interest rate that's slightly higher than what's standard in the market. If the account holder fails to do this then that's when he'll be subjected to pay the penalty.

The beauty of an IRA is that, just like a 401k plan, its contents are untouchable for creditors. If the account holder becomes bankrupt, his IRA won't be used to settle his debts. Moreover, he gets more flexible contribution options for IRA than what he would have with a 401k plan.

There are a lot more to learn about IRAs and how it can be the key to having a stable and comfortable future. Please visit <http://www.iraaccounts.org/> for more details.

###

## About Drug Cure.net

DrugCure.net offers comprehensive information on Drug Rehab Facilities in the US.

**Website:** <http://www.drugcure.net>

**E-Mail:** [ascnetwork@gmx.net](mailto:ascnetwork@gmx.net)