New conversion rules help set your retirement savings free...
...tax-free, that is.

With tax-free earnings and tax-free distributions, a Roth IRA has always been a great way to prepare for a greener retirement.

Starting in 2010, you have the opportunity to convert any or all of the funds in your Traditional IRA to a Roth IRA — regardless of your income level or tax-filing status — with absolutely no limit on the amount you can convert.

While you will have to pay taxes, the good news is that the tax on a 2010 conversion can be distributed over the following two years, with half taxed in 2011 and the other half in 2012 (payable in 2012 and 2013).

Stretch your wings. Make your retirement dollars tax-free. This is your chance to benefit from the advantages that only a Roth IRA can provide... only in 2010.

"AMERICA'S BEST RETIREMENT PLAN"
-MONEY magazine

"I think the Roth IRA is one of the best investments, period."

"Letting your money compound tax-free for decades is an investor's dream."

"I personally can't wait to convert my SEP-IRA."

"I can't remember when I've been so excited to take advantage of a tax law."

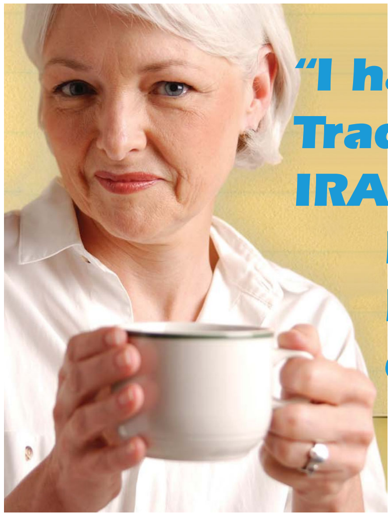
—Suze Orman
MONEY MATTERS

UNDERHILL FINANCIAL ADVISORS
P.O. Box 111
Partlow, VA 22534
(866) 776-8942
www.UFAlife.com

Retire TAX-FREE
Roth IRA

CONVERSION OPPORTUNITIES

2010



"I have a Traditional IRA. How is a Roth IRA different?"

While both a Traditional and Roth IRAs offer special tax advantages, the tax rules for contributions and distributions are quite different.

TRADITIONAL: Contributions to a Traditional IRA are generally tax-deductible. When distributed, both your contributions and any investment gains will be taxable.

ROTH IRA: Contributions to a Roth IRA are not deductible, but when distributed, both your contributions and any investment gains are payable to you tax-free.

"What is a conversion and what makes it special now?"

Simply put, if you have a Traditional IRA and you switch it to a Roth IRA. This is called a conversion.

Previously, only taxpayers whose total income was under $100,000 were allowed to convert. Starting in 2010, however, even if your income is over $100,000, you may convert all or part of your Traditional IRA to a Roth IRA.

"Why convert to a Roth IRA?"

There are many advantages to converting to a Roth IRA: tax-free growth and tax-free distributions down the road when you're ready to take your money out. And, unlike a Traditional IRA, you do not have to start taking distributions at age 70½.

"What factors should I consider?"

One item to consider is your age at the time of conversion. If you have a relatively long time horizon, meaning years of growth ahead of you, the gains from your Roth IRA, coupled with the tax-free distributions, can be substantial.

Also remember, with a Roth IRA, you are never required to take distributions, even at 70½. If you don't need the money, you can choose to leave your Roth IRA to your heirs. Your beneficiary will inherit the assets, income tax-free. While distribution rules require beneficiaries to take withdrawals, distributions remain tax-free.

"What taxes will I have to pay?"

You will have to pay taxes on the amount you convert, but paying taxes now could be offset by significant gains later.

Switching to a Roth IRA means you pay no tax on the distributions in future years.

What's more, 2010 is a good time to convert, because there is a special tax rule that applies only during this year.

"What special tax rule applies for 2010?"

For conversions made in 2010 only, you can opt to have none of the converted funds taxed for 2010. Instead, the conversion income may be split over the following two years so that half the converted amount is taxed in 2011 and the other half in 2012.

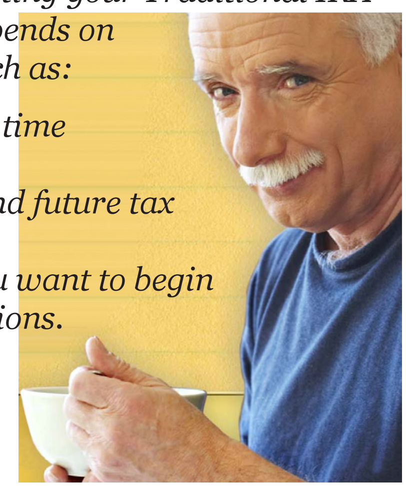
There are tax advantages to doing it this way. It's important to understand that you're not actually splitting the tax over two years, you're splitting the income being taxed.

For example, let's say you convert $80,000 from a Traditional IRA to a Roth IRA. If you had to claim the entire amount on your 2010 tax return, you conceivably could be pushed into a higher tax bracket. However, splitting the income — $40,000 in 2011 and $40,000 in 2012 — could keep you in a lower tax bracket and save you money.

"Should I convert to a Roth IRA?"

There is no clear-cut answer that is right for everyone. Converting your Traditional IRA to a Roth IRA depends on many factors, such as:

- *your age at the time of conversion*
- *your current and future tax brackets*
- *if and when you want to begin taking distributions.*



CALL UNDERHILL
FOR MORE INFO:
(866) 776-8942