

How much more income?

Drop in tax rate*	Years until withdrawal begins								
	40	35	30	25	20	15	10	5	1
1%	13%	12%	11%	10%	9%	8%	6%	5%	5%
2%	12%	11%	10%	9%	8%	7%	5%	4%	4%
3%	11%	10%	9%	8%	7%	6%	4%	4%	2%
4%	10%	9%	8%	7%	6%	5%	3%	2%	1%
5%	8%	8%	7%	6%	5%	4%	2%	1%	0%
6%	7%	6%	5%	5%	4%	2%	1%	0%	1%
7%	6%	5%	4%	3%	2%	1%	0%	1%	2%
8%	5%	4%	3%	2%	1%	0%	1%	2%	2%
9%	4%	3%	2%	1%	0%	1%	2%	3%	3%
10%	3%	2%	1%	0%	1%	2%	3%	4%	5%

Roth better (white background)

Traditional better (yellow or shaded background)

*Drop in tax rate is from the current 25%
(i.e. 1% = down to 24%; 2% = down to 23%)

Assumptions listed on next slide

Source: T. Rowe Price IRA Comparison Calculator at troweprice.com

How much more income?

- Assumptions

- Used IRA Comparison tool on www.troweprice.com/iracalculator
- Factors to enter into tool:
 - Year = 2009 (used for this illustration; DRCs to begin in 2010)
 - Initial contribution = \$1,000
 - Subsequent annual contributions = \$0
 - Current tax rate = 25%
 - Expected tax rate = Based on reduction indicated in chart
 - Expected cap gains rate = 15%
 - Rate of return = 8%
 - Years to withdrawal = Based on chart
 - Age in 2009 = 65 minus Years to withdrawal
 - Number of years in retirement = 30
 - Rate of return in retirement = 7%
- Does not consider any annual distributions or RMDs and assumes they are not required