

From: Ike Groff <[REDACTED]>
To: 'Lesley Groff' <[REDACTED]>, "Cuti, Anthony J" <[REDACTED]>
Subject: RE: 401K vs 529 Question...
Date: Mon, 02 Nov 2015 18:56:29 +0000

I do not think we are eligible for a Roth based on income factors

-----Original Message-----

From: Lesley Groff [mailto:[REDACTED]]
Sent: Monday, November 02, 2015 1:55 PM
To: Cuti, Anthony J
Cc: Ike Groff
Subject: Re: 401K vs 529 Question...

great! thank you so much...I am not sure about traditional or Roth 401K...I am not sure the difference...

On Nov 2, 2015, at 1:38 PM, Cuti, Anthony J <[REDACTED]> wrote:

> Lesley:
>
> Would the 401k be a traditional 401k or a Roth 401k?
>
> Typically, 529 plans are not tax deductible for federal purposes. However, the earnings will grow tax-deferred until the funds are distributed in the future. The funds in the 529 would need to be used for qualifying college expenses or could be subject to a 10% penalty upon withdrawal.
>
> Your resident state of CT, will allow up to a \$10,000 annual deduction for joint filers. You can contribute more but would need to consider potential gift tax issues if giving more than \$14,000 per year per recipient.
>
> If you contributed to a traditional 401k, you can put up to \$18,000 for 2016, which you reduce your current year taxable income.
>
> Thanks,
> Anthony
>
> Anthony J. Cuti II, CPA
> Direct Tel (973) 577-1616
> Email: [REDACTED]

> -----Original Message-----

> From: Lesley Groff [mailto:[REDACTED]]
> Sent: Monday, November 02, 2015 12:50 PM
> To: Cuti, Anthony J
> Cc: Ike Groff
> Subject: 401K vs 529 Question...

> Hi Anthony...hoping I can ask you a quick question ...my employer and I are discussing either starting me up with a 401K (where he would match my contribution 100%) vs starting a 529 for my son...my boss thinks it may be more beneficial, tax wise on our part, if he were to start a 529, but he is not sure...might you know tax wise what is best for us?

> Thanks, Lesley (and Ike) Groff

> *****

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