

Traditional Vs. Roth IRA

Traditional IRA

INCOME LIMITS

AGE LIMITS

AGE REQUIREMENT FOR PENALTY FREE WITHDRAWLS

DO I NEED TO TAKE A REQUIRED MINIMUM DISTRIBUTION?

TAXES ON CONTRIBUTIONS

TAXES ON WITHDRAWLS

FOR YOU IF...

None, as long as you (or a spouse) have earned income for the tax year

70 1/2

59 1/2 (unless you qualify for an IRS exception)

Yes, beginning at 70 1/2.

No, as long as you are under the income limit for tax deductions.

Yes for any contributions that you were able to deduct, and all gains.

You think your income tax bracket will be lower when you retire than it is today.

Roth IRA

To contribute the full amount: Filing single= \$122,000 or less Filing joint= combined income of \$193,000 or less

No age limit as long as you still have earned income

59 1/2 (unless you qualify for an IRS exception) & your account has been open for at least 5 years

No, the account owner never has to.

Yes, you contribute after tax dollars.

No, contributions and earnings can be withdrawn tax free.

You think your income tax bracket will be higher when you retire than it is today.

This information does not take into account the specific objectives, financial situation, or financial needs of any specific person and should only be used for research purposes. Please consult with a qualified retirement planner before making any decisions.