



## Choose the IRA that meets your needs.

Learn your IRA options using this quick reference to traditional IRAs and Roth IRAs.

The chart inside highlights the details and advantages of the accounts. If you are eligible to contribute to both a traditional IRA and a Roth IRA and are still unsure which account is right for you, follow these general rules-of-thumb:

1. Choose a Roth IRA if you don't need the tax break right now. It's a more flexible investment because:
  - a. You can withdraw regular contributions at any time, tax-free and penalty-free.
  - b. You do not have to take mandatory distributions at age 70½.
2. Choose a traditional IRA if you want the tax deduction right now. It also makes sense if you anticipate paying taxes at a significantly lower rate in retirement.

Call or stop in today.

Our IRA professionals can answer your questions and help you open your account.

Individual Retirement Accounts

## Comparing your IRA options



Not intended as tax advice. Please consult a tax professional.

## Roth IRA

## Traditional IRA

### Who can contribute?

You are eligible if you earn compensation and your MAGI\* is less than the defined limits set by Congress. If your MAGI is too high to contribute the annual contribution limit, you may be able to make a smaller contribution.

Anyone under age 70½ who has income from compensation (or who is filing jointly with a spouse who earns compensation).

Anyone who has received a distribution from a qualified retirement plan and decides to move the proceeds of the plan into an IRA.

### How much can I contribute?

- ▶ You may be able to contribute up to \$5,000
- ▶ For owners age 50 and older, you may be able to contribute up to \$6,000
- ▶ Contributions cannot exceed compensation.

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### Who can make deductible contributions?

No one can deduct contributions. Deductible up to annual contribution limit:

- ▶ Single individuals not active in employer retirement plans
- ▶ Single individuals active in qualified retirement plans with MAGI below defined limits
- ▶ Married couples with neither spouse active in an employer retirement plan
- ▶ Married individuals active in qualified retirement plans filing joint tax returns with MAGI below defined limits
- ▶ Married individuals not active in qualified retirement plans filing joint tax returns with spouses who are, as long as MAGI is below defined limits

### What are the tax advantages?

- ▶ Earnings are tax-deferred and withdrawals are tax-free if the account is open for five tax years and withdrawals are for a qualified reason (age 59½, disability, death, or a first-time home purchase\*\*)
- ▶ Not required to start withdrawals at age 70½

- ▶ Earnings grow tax-deferred until withdrawn
- ▶ Contributions may be tax-deductible

### When can I withdraw without restrictions?

- ▶ Regular contributions can be withdrawn tax-free and penalty-free at any time
- ▶ After the account has been open five tax years, earnings can be withdrawn tax-free and penalty-free for any of these reasons: age 59½, disability, death, or a first-time home purchase\*\*

Withdraw penalty-free for any of the following reasons:

- ▶ Qualified higher-education expenses
- ▶ First-time home purchase\*\*
- ▶ Age 59½
- ▶ Disability
- ▶ Qualifying medical expenses exceeding 7.5% of adjusted gross income
- ▶ Payment to beneficiaries upon the owner's death
- ▶ Payment of health insurance premiums while unemployed for 12 weeks or longer

**Not intended as tax advice. Please consult a tax professional.**

\* **MAGI - Modified Adjusted Gross Income. Contribution and deductibility limits change frequently. Consult your tax professional regarding your individual circumstances.**

\*\* **Lifetime limit for exemption on first-time home purchase is \$10,000.**