

# IRA Comparison



	TRADITIONAL IRA	ROTH IRA
ELIGIBILITY	Individuals who have earned income or receive alimony. Income from sources such as investments or inheritances do not qualify. Contributions may not be made for or after the year in which you turn age 70 ½.	Individuals who have earned income or receive alimony. Income from other sources such as investments or inheritances do not qualify. The accounts are available to couples with a modified adjusted gross income (MAGI) of up to \$120,000 and singles up to \$135,000.
CONTRIBUTIONS	Each year you can contribute all or part of your compensation up to: \$6,000 for an individual taxpayer and \$12,000 for a married taxpayer (each spouse can contribute up to \$6,000). Taxpayers over 50 years old can contribute an additional \$1,000 for tax year 2019.	Each year you can contribute all or part of your compensation up to: \$6,000 for an individual taxpayer and \$12,000 for a married taxpayer (each spouse can contribute up to \$6,000). Taxpayers over 50 years old can contribute an additional \$1,000 for tax year 2019.
DEDUCTIBILITY	Yes. Depending on income level, your IRA contribution may be deductible even if you are in an employer sponsored plan. Ask us about threshold limits.	No. Contributions are non-deductible.
DISTRIBUTIONS	Permitted anytime after 59 ½, but must start by April 1 of year following the year you turn 70 ½. Can receive distributions after 59 ½ even if you earn income. Subject to 10% penalty if withdrawn prior to age 59 ½, except for special conditions.	Make IRS penalty-free and tax-free withdrawals of your funds, (not including earnings) at any time. Bank Penalty could apply. Subject to income taxes and possible penalties if withdrawn prior to completing 5 year holding period and for other than 4 qualifying reasons.
TAXES & CONVERSIONS	Taxes paid at the time of withdrawal. Funds left on deposit (including interest and dividends) continue to earn on a tax-deferred basis. No conversions.	Never tax deductible as contributions are made in after-tax dollars. If qualifying reasons exist, earnings can be withdrawn free of income tax. Can convert traditional IRA to a Roth IRA under certain conditions+. Amount converted will be subject to income taxes. Funds converted on not subject to a 10% premature distribution penalty tax.
RULES & LIMITATIONS	All earnings you accumulate remain taxsheltered until withdrawn. Total yearly contribution that can be made by an individual to all IRAs is \$6,000 (\$7,000 for individuals over age 50 in tax year 2019) not counting rollover contributions. If you are an active participant in an Employer-Sponsored Retirement Plan, your IRA contribution may still be fully or partially deductible, depending on your income level. For more detailed information regarding this issue you should contact your tax advisor or accountant.	