

# TRADITIONAL IRA vs. ROTH IRA



	TRADITIONAL IRA*	ROTH IRA*
<b>Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>• Earned Income.</li> <li>• Must be younger than age 70½ all year.</li> </ul>	<ul style="list-style-type: none"> <li>• Earned Income.</li> <li>• Can be any age.</li> </ul>
<b>Contribution Limits</b>	Ask an account representative for annual contribution limits.	Ask an account representative for annual contribution limits.
<b>Tax Deductible</b>	Yes, contributions deductible depending on: <ul style="list-style-type: none"> <li>• Income.</li> <li>• Filing Status.</li> <li>• Covered by a retirement plan at work.</li> <li>• Receiving social security benefits.</li> </ul>	Contributions are not deductible.
<b>Required Distributions</b>	Yes, you must begin distributions by April 1 <sup>st</sup> of the year following the year you reach age 70½.	No, if you are the original owner, you do not have to take distributions regardless of age.
<b>Tax on Distributions</b>	Taxed as ordinary income, except if a non-deductible contribution is made, then not all of the distribution is taxable.	Not taxed as long as you meet certain criteria.**
<b>Withdrawal Rules</b>	<ul style="list-style-type: none"> <li>• Penalty-free withdrawals begin at age 59½.</li> <li>• Distributions can begin at age 70½.</li> <li>• Beneficiaries pay taxes on inherited IRAs.</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions can be withdrawn at any time; tax-free and penalty-free.</li> <li>• All withdrawals tax-free after five years and age 59½.</li> <li>• No withdrawals required during account holder's lifetime.</li> </ul>
<b>Earnings</b>	Earnings grow tax deferred.	Earnings grow tax free.

\*Account subject to deposit account approval. Seek the guidance of a tax or legal advisor. \*\*For Tax on Distribution criteria for Roth IRAs, see Publication 590-B, available at [www.irs.gov](http://www.irs.gov).