

IRA Comparison Chart - 2018

| | Traditional IRA | Roth IRA |
|--|---|---|
| 2018 Contribution Limits | <ul style="list-style-type: none"> • \$5,500 under age 50 • \$6,500 if age 50 or older | <ul style="list-style-type: none"> • \$5,500 under age 50 • \$6,500 if age 50 or older |
| Who is eligible? | Anyone with taxable compensation and who is under the age of 70 ½ years old in the contribution year. | Individuals with taxable compensation. For 2018: The contribution limit is phased out for those with a Modified Adjusted Gross Income (MAGI) between \$120,000 — \$135,000 if single; \$189,000 — \$199,000 if married or filing together |
| What are the tax advantages? | <p>Tax deferred growth.</p> <p>Contributions are made pre-tax and any earnings grow federal-income tax deferred until withdrawal.</p> | <p>Tax free growth.</p> <p>Contributions are made with post-tax dollars, but investment grows tax-free and qualified withdrawals are tax-free.</p> |
| Is my contribution tax-deductible? | <p>Maybe.</p> <p>Contributions may be tax deductible.*</p> | <p>No.</p> <p>Contributions are not tax deductible.</p> |
| Is there an age limit for contributions? | <p>Yes.</p> <p>Contributions must be made prior to 70 ½ years of age in the contribution year.</p> | <p>No.</p> |
| Are there Minimum Required Distributions (MRDs)? | <p>Yes.</p> <p>Minimum distributions must start at age 70 ½.</p> | <p>No requirements.</p> |
| Are rollovers and transfers permitted? | <p>Yes.</p> <p>Transfers can be made from Traditional IRA or qualified employer sponsored plans.</p> | <p>Yes.</p> <p>You may roll over another IRA or employer sponsored retirement account to a Roth IRA. Since 2010, all IRA owners can convert to Roth.</p> |
| What are the investment options? | Wide range of annuities, mutual funds, stocks, bonds, ETFs, and insured CDS. ** | Wide range of annuities, mutual funds, stocks, bonds, ETFs, and insured CDS. ** |

* For 2018, if you are covered by a qualified employee sponsored plan, the MAGI phase-out ranges are \$63,000 — \$73,000 (single) and \$101,000 — \$121,000 (married, filed jointly). For those covered by an employer-sponsored retirement plan, but whose spouse isn't, the deduction is phased out for joint MAGI between \$189,000 — \$199,000 for 2018. If neither spouse is covered by an employer-sponsored plan, the contributions are fully tax-deductible, regardless of income.

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