

Your IRA Cheat Sheet



Traditional IRA

In a traditional IRA, your contributions are often tax-deductible in the year they are made. Your money then grows tax deferred until retirement where it is taxed at ordinary income rates upon distribution.

What Is An IRA?

An individual retirement account (IRA) is a tax-advantaged account that individuals use to invest and save their money for retirement.

Roth IRA

Roth IRA contributions are not tax deductible (made with after-tax dollars) but qualified distributions are tax free and there are no taxes on investment gains.

Benefits Of IRAs

Opportunity to Maximize Retirement Savings

Tax Advantages (*Tax-Deferred or Tax-Free*)

Wider Range of Investment Choices

Traditional IRA

Roth IRA

\$7,000 Per Year

Max. Contribution Limit Standard

\$7,000 Per Year

\$8,000 Per Year

**Max. Contribution Limit,
Ages 50+**

\$8,000 Per Year

Taxed At Ordinary Income Rates

Distributions

Tax-Free

Deductible
(*Some Exceptions*)

Contributions

Not Deductible

Contribute At Any Age
As Long As You Have Earned Income

Age Limitations

Contribute At Any Age
As Long As You Have Earned Income

Income Does Not Affect
Contribution Limitations

Income Limitations

Income Does Affect
Contribution Limitations

Yes, 10% (+ Income Tax)

**Early Withdrawl Penalty
for Contributions**

None

Yes, 10% (+ Income Tax)

**Early Withdrawl Penalty
for Earnings**

Yes, 10%

Yes, Beginning At Age 73*

RMD

No RMDs

(*Required Minimum Distributions*)

*If born after 1/1/1960, RMD will begin at age 75.

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