






# TRADITIONAL vs. ROTH

## Comparing the 2 Types of IRAs

TRADITIONAL		ROTH
Tax-deferred growth and tax-deductible contributions. Pay taxes when you withdraw pre-tax contributions and any earnings.	 <b>TAXES</b>	Tax-free growth and tax-free (qualified) withdrawals. No tax when you withdraw contributions, and no federal tax on earnings (within 5-yr. aging requirement).
Contribute at <i>any</i> age.	 <b>AGE LIMITATIONS</b>	Contribute at <i>any</i> age.
Your income <i>doesn't</i> affect contribution limits.	 <b>INCOME LIMITATIONS</b>	Your income <i>does</i> affect contribution limits. Ask about current limitations.
Before 59½, 10% penalty on withdrawals (some exceptions).	 <b>PENALTY FOR EARLY WITHDRAWAL</b>	Before 59½, pay taxes on earnings plus 10% additional tax (some exceptions).
RMDs starting the year you turn 72.	 <b>RMD</b> (REQUIRED MINIMUM DISTRIBUTIONS)	No RMDs.