

How Does a Roth-IRA compare to a Traditional IRA?

	<u>Traditional IRA</u>	<u>Roth IRA</u>		
Contributions	Tax Deductible	No Tax Deduction		
Contributions after Age 70 ½ (if still working)	No	Yes		
Withdrawals			<u>Contributions</u>	<u>Earnings</u>
Before Age 59 ½	Taxable plus 10% penalty	No Tax or 10% penalty	No Tax or 10% penalty	Taxable plus 10% penalty
After Age 59 ½	Taxable	Same	Same	Tax & Penalty Free*
			*if initial contribution meets 5 year rule	
Subject to Age 70 ½ Required Minimum Distributions	Yes	No	No	
Withdrawal can increase tax on Social Security Benefits, increase Medicare premiums and be subject to AMT & loss of itemized deductions	Yes	No (unless taxable earnings)		