



Going, Sebastien, Fisher & LeBouef, LLP

Darren J. Cart, CPA/PFS

Partner

2811 S Union St

Opelousas, LA 70570

337-942-3041

337-981-5555

darren@goingcpa.com

www.goingcpa.com

An AICPA Personal Financial Planning
Section member benefit

Comparison of Traditional IRAs and Roth IRAs





Comparison of Traditional IRAs and Roth IRAs

| | Traditional IRA | Roth IRA |
|--|---|--|
| Maximum yearly contribution (2017) | Lesser of \$5,500 or 100% of earned income (\$6,500 if age 50 or older) | Lesser of \$5,500 or 100% of earned income (\$6,500 if age 50 or older) |
| Income limitation for contributions | No | Yes |
| Tax-deductible contributions | Yes. Fully deductible if neither you nor your spouse is covered by a retirement plan. Otherwise, your deduction depends on your income and filing status. | No. Contributions to a Roth IRA are never tax deductible. |
| Age restriction on contributions | Yes. You cannot make annual contributions beginning with the year you reach age 70 1/2. | No |
| Tax-deferred growth | Yes | Yes; tax free if you meet the requirements for a qualified distribution. |
| Required minimum distributions during lifetime | Yes. Distributions must begin by April 1 following the year you reach age 70 1/2. | No. Distributions are not required during your lifetime. |
| Federal income tax on distributions | Yes, to the extent that a distribution represents deductible contributions and investment earnings. | No, for qualified distributions. For nonqualified distributions, only the earnings portion is taxable. |
| 10% penalty on early distributions | Yes, the penalty applies to taxable distributions if you are under age 59 1/2 and do not qualify for an exception. | No, for qualified distributions. For nonqualified distributions, the penalty may apply to the earnings portion. (Special rules apply to amounts converted from a traditional IRA to a Roth IRA.) |
| Includable in taxable estate of IRA owner at death | Yes | Yes |
| Beneficiaries pay income tax on distributions after IRA owner's death | Yes, to the extent that a distribution represents deductible contributions and investment earnings. | Generally no, as long as the account has been in existence for at least five years. |

IMPORTANT DISCLOSURES

Broadridge Investor Communication Solutions, Inc. does not provide investment, tax, legal, or retirement advice or recommendations. The information presented here is not specific to any individual's personal circumstances.

To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances.

These materials are provided for general information and educational purposes based upon publicly available information from sources believed to be reliable — we cannot assure the accuracy or completeness of these materials. The information in these materials may change at any time and without notice.



Going, Sebastien, Fisher & LeBouef,
LLP

Darren J. Cart, CPA/PFS
Partner

2811 S Union St

Opelousas, LA 70570

337-942-3041

337-981-5555

darren@goingcpa.com

www.goingcpa.com

