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|  | **Roth IRA** | **Traditional IRA** |
| Income Limits | There are no age restrictions for making Roth IRA contributions, but there are income eligibility restrictions. | Anyone with earned income. Age limit restrictions for contributions were removed in the SECURE Act of 2019. |
| Tax Deductibility | Contributions to a Roth IRA are not tax deductible. | Contributions may be deductible in the year they are made depending upon the participant’s income and whether they or their spouse is covered by a retirement plan through their job |
| Withdrawal Rules | Participants are not required to take any withdrawals from a Roth IRA during their lifetime. Withdrawals from a Roth IRA are tax free if the Participant meets the IRS guidelines. | Participants are required to begin taking withdrawals called Required Minimum Distributions starting at age 72. (the previous starting ageof 70 1/2 was updated through passage of the SECURE ACT of 2019) |
| Additional benefits and considerations | Contributions (not earnings) may be withdrawn penalty free and tax free at any time, even before the Participant reaches age 59 1/2. | Contributions generally lower theParticipant’s taxable income in the year the contribution is made but are included in taxable income in the year that the funds are withdrawn. |
| Under 59 1/2 withdrawal rules | A participant under 59 1/2 can withdrawal up to $10,000 of Roth earnings without a penalty for a qualified first-time home buyer expenses, provided at least five (5) years have passed since their initial contribution was made to the Roth IRA. | A participant under 59 1/2 can withdrawal up to $10,000 without an IRS 10% penalty to pay for qualified first-time home buyer expenses, qualified higher education expenses, disability, or unreimbursed medical expenses. Withdrawals will be taxed as ordinary income. |
| Prior Year Contributions | Contributions for the prior year may be made from January 1 to April 15 (or the tax filing deadline) of the following year. | Contributions for the prior year may be made from January 1 to April 15 (or the tax filing deadline) of the following year. |
| Guidance understanding which IRA is most suitable | Participants should speak with their Tax Advisor for personalized guidance. | Participants should speak with their Tax Advisor for personalized guidance. |
| What are the IRA contribution limits? | **For the 2020 tax year:**• A Participant under the age of 50 can contribute up to $6,000\*• A participant who is age 50 or older can contribute up to $7,000\*, total.**For the 2021 tax year:**Unchanged from 2020 limits.Contribution limits could be lower based on the Participant’s earned income. | **For the 2020 tax year:**• A Participant under the age of 50 can contribute up to $6,000\*• A Participant who is age 50 or older can contribute up to $7,000\*, total. **For the 2021 tax year:**Unchanged from 2020 limits.Contribution limits could be lower based on the Participant’s earned income. |
| Are IRA contributions considered tax deductible in the year they are made? | Contributions to a Roth IRA are notdeductible in the year that they are made. | Contributions to a Traditional IRA May be tax deductible. The deductible amount could be reduced or eliminated if the Participant or their spouse is already covered by a retirement plan at work. |
| What is the deadline for making Current Year and Prior Year IRA contributions? | Current Year contributions may be made from January 1 through December 31. From January 1 to the tax filing deadline (typically April 15th) of the following year, eligible Participants may make a contribution for the Prior Year. | Current Year contributions may be made from January 1 through December 31. From January 1 to the tax filing deadline (typically April 15th) of the following year, eligible Participants may make a contribution for the Prior Year. |