

Traditional and Roth IRA Comparison Overview

Differences	2017	
	Roth IRA	Traditional IRA
Tax Benefits	Tax-free growth. Tax-free qualified withdrawals.	Tax-deferred growth. Contributions may be tax-deductible
Eligibility : Age	No age restrictions with employment compensation	Must be under age 70½ with employment compensation
Eligibility: Income	Income limits apply to make contributions*	No income limits to make contributions
Taxation at withdrawal	Contributions are always withdrawn tax-free. Earnings are federally tax-free after the 5 year aging requirement has been satisfied and certain conditions are met.	Pre-tax contributions and any earnings are taxable when withdrawn.
Penalties at withdrawal	Non-qualified withdrawals are subject to taxation of earnings and a 10% additional tax unless an exception applies.	Withdrawals before 59½ may be subject to a 10% early withdrawal penalty unless an exception applies.
Minimum required distributions (MRDs)	No minimum required distributions during the lifetime of the original owner.	Minimum required distributions starting at 70½

*2017 Roth IRA Single Income Limits	
Single filers full contribution:	up to \$118,000
Partial contribution:	\$118,000–\$133,000
*2017 Roth IRA Joint Income Limits	
Joint filers full contribution:	up to \$186,000
Partial contribution:	\$186,000–\$196,000

Similarities	2017	
	Maximum Contribution	For 2017: \$5,500 (\$6,500 if you are 50 or older) or 100% of employment compensation, whichever is less
Catch-up contribution	Individuals age 50 or older (in the calendar year of their contribution) can contribute an additional \$1,000 each year	
Contribution deadline	Tuesday, April 18, 2017, for the 2016 tax year	
Minimum Investments	There is no minimum to open a Traditional or a Roth IRA	