

# Regular IRA vs. Roth IRA...A 2018 Comparison

Eligible individuals can contribute to a tax-deductible traditional IRA, to a non-deductible Roth IRA or to a combination of the two. However, no more than a combined total of \$5,500/\$6,500 if age 50 or older in 2018 (or 100% of earned income if less) may be contributed to these accounts each year.

Individuals who are not eligible for deductible contributions to a traditional IRA or to make contributions to a Roth IRA may still make non-deductible contributions to a traditional IRA and receive the benefits of tax-deferred growth.

**Which type of IRA is best for you depends on your situation, needs and objectives. The comparison that follows is designed to help you make an informed decision.**

|   | Traditional IRA<br>(tax deductible)  | Roth IRA   | Traditional IRA<br>(non-deductible)  |
|---|--|--|--|
| <b>Deductible Contributions</b>         | Yes  | No   | No <sup>(1)</sup>  |
| <b>Limit on Contributions</b>           | Yes<br>(lesser of \$5,500; \$6,500 if age 50 or older; or 100% of earned income)       | Yes<br>(lesser of \$5,500; \$6,500 if age 50 or older; or 100% of earned income)       | Yes<br>(lesser of \$5,500; \$6,500 if age 50 or older; or 100% of earned income)       |
| <b>Tax-Deferred Growth</b>              | Yes  | Yes  | Yes  |
| <b>Tax-Free Distributions</b>           | No<br>(fully taxable)  | Yes<br>(if qualified distributions)  | No<br>(partially taxable)  |
| <b>Age Limits</b>                       | Yes<br>(contributions cannot be made after age 70-1/2)                                 | No   | Yes<br>(contributions cannot be made after age 70-1/2)                                 |
| <b>Income Limits</b>                    | No   | Yes<br>(contribution phased out if adjusted gross income exceeds specified limits)     | No   |
| <b>Minimum Distribution Requirement</b> | Yes<br>(distributions must begin by age 70-1/2)  | No   | Yes<br>(distributions must begin by age 70-1/2)  |
| <b>Bankruptcy Protection</b>            | <i>Original Owner:</i> Yes, up to \$1 million for all IRAs<br><i>Inherited IRA:</i> No | <i>Original Owner:</i> Yes, up to \$1 million for all IRAs<br><i>Inherited IRA:</i> No | <i>Original Owner:</i> Yes, up to \$1 million for all IRAs<br><i>Inherited IRA:</i> No |

*(1) Traditional IRA contributions are fully deductible from income unless an individual and/or spouse are active participants in an employer-sponsored retirement plan, including a tax-deferred annuity (TDA). In that event, the IRA deduction is gradually phased out as adjusted gross income exceeds specified limits, in which case an IRA contribution may be partially deductible or non-deductible.*