



RETIREMENT PLANNING

Traditional vs. Roth IRA

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RETIREMENT PLANNING

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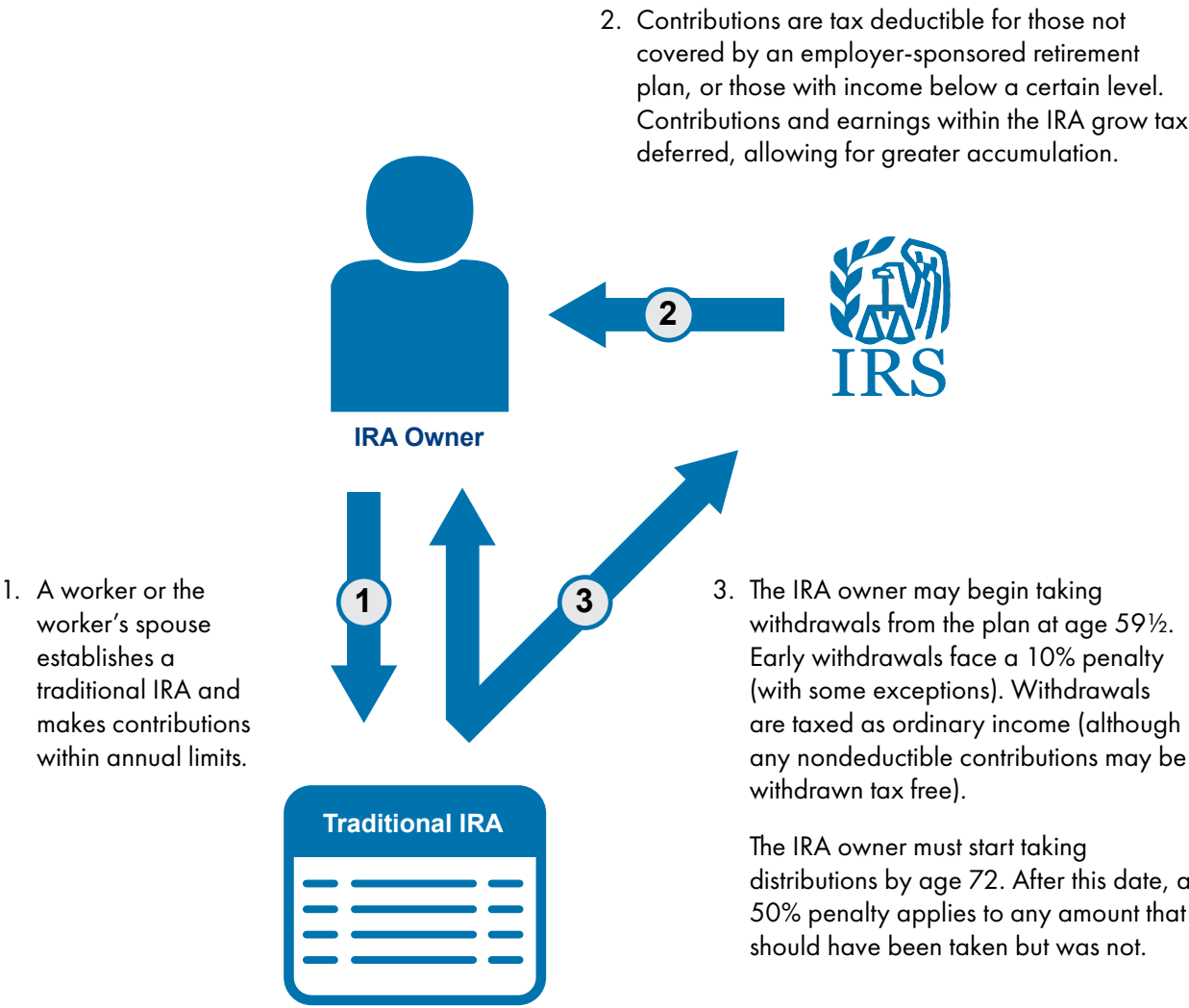
PLEASE NOTE

The Consolidated Appropriations Act, 2021 continues through 2021 the temporary CARES Act exception to the 10% early withdrawal penalty for distributions prior to age 59½.



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TRADITIONAL VS. ROTH IRA



HOW A TRADITIONAL IRA WORKS



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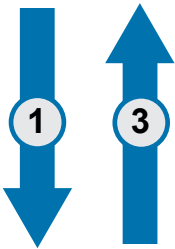
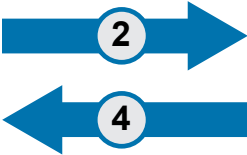
TRADITIONAL VS. ROTH IRA

- 1. A worker with adjusted gross income below a specified amount establishes a Roth IRA and makes contributions within annual limits.



IRA Owner

- 2. Contributions do not qualify for a tax deduction.



- 3. The IRA owner may withdraw contributions at any time without tax. After the owner has had the IRA for at least five years, the owner may also withdraw earnings tax free—but only after age 59½, disability, death, or for qualified first-time homebuyer expenses. Early withdrawals face a 10% penalty (with some exceptions).

- 4. The IRA owner does not face required minimum distributions by age 72.

HOW A ROTH IRA WORKS

