



Individual Retirement Account Comparison



Traditional IRA

2024

Roth IRA

VS

- Under 50 years old = \$7,000
- Over 50 years old = \$8,000

Annual Contribution Limits

- Under 50 years old = \$7,000
- Over 50 years old = \$8,000

- No Income Limits

Earned Income Limits

- \$161,000 = Single or MFS
- \$240,000 = MFJ

- Invest Freely
- Not Subject to Capital Gains

Investment Choices

- Invest Freely
- Not Subject to Capital Gains

- Tax Deductible
- \$87,000 (Limit) = Single or MFS
- \$143,000 (Limit) = MFJ

Taxes on Contributions

- After-Tax Money

- Taxed as Ordinary Income
- Early Withdrawal = 10% Penalty

Taxes on Withdrawals

- Tax-Free
- Early Withdrawal = 10% Penalty

- No age limit to contributions

Retirement Contributions

- No age limit to contributions

- Distributions at age 73 (RMDs)

Retirement Distribution Rules

- Not forced to take distributions