

WHAT'S BEST FOR YOU?

Traditional **vs.** *Roth*
IRA — IRA —

When opening an Individual Retirement Account, you can choose between a Traditional IRA or a Roth IRA. Here's how they compare.



If you have **EARNED INCOME**, you can **MAKE CONTRIBUTIONS**.

What is your modified adjusted gross income (MAGI)?

Eligibility to contribute is based on your income level. For tax year 2023, income must be under:

Single filers
\$153,000

Married couples filing jointly
\$228,000

59½ YEARS

unless you qualify for one of the IRS's exceptions.

What are the age requirements for penalty-free withdrawals?

59½ YEARS

unless you qualify for one of the IRS's exceptions and your account is at least 5 years old.

As long as you are earning income, there are **NO AGE LIMITS** on contributions for both **TRADITIONAL** and **ROTH IRAs**.

YES
beginning at age 73 years.

Are there required minimum distributions (RMDs)?

NO

NO
as long as you are under the income limit for tax deductions.
\$83,000 for single filers; the limit differs for married/head of household.

Do you pay taxes on contributions?

YES
you contribute after-tax dollars.

YOU DON'T PAY TAXES ON CAPITAL GAINS, DIVIDENDS, OR INTEREST while your money is invested in either IRA account.

YES
if you were able to deduct your contributions.
No, for any portion of contributions you couldn't deduct.

Do you pay taxes on withdrawals?

NO
your contributions and earnings can be withdrawn tax free.

If you think your income tax bracket will be **LOWER** when you retire than it is today, a **TRADITIONAL IRA** may be right for you.

Which account might be right for you?

If you think your income tax bracket will be **HIGHER** when you retire than it is today, a **ROTH IRA** may be right for you.

READY TO GET STARTED? For both a Traditional and a Roth IRA, you can contribute up to \$6,500 for tax year 2023, and \$7,500 for those aged 50 or older. Give us a call at **855.662.2121** or visit us online at **jemmafinancial.com**.

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