

The ABCs of IRAs

Traditional IRA

Maximum contribution of
\$5,500

Money goes in BEFORE being taxed

Contributions CANNOT be removed
before age 59.5 without penalty

Gains cannot be removed before age
59.5 without penalty

Retirement withdrawals are taxed as
income

Best for:

People who make more than the income
limits for the Roth

People who expect their yearly
retirement withdrawals to be LESS than
their current salary

Roth IRA

Maximum contribution of
\$5,500

Money goes in AFTER being taxed

Contributions CAN be removed before
age 59.5 without penalty

Gains cannot be removed before age
59.5 without penalty

Retirement withdrawals are NOT
taxed

Best for:

People who make less than the income
limits for the Roth

People who expect their yearly
retirement withdrawals to be MORE
than or equal to their current salary