

EXPAND YOUR RETIREMENT TOOLBOX



A GUIDE TO INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)

The most common IRAs — traditional and Roth — may offer different benefits to investors — benefits that can make the difference in how you spend money in retirement. Whether it's an additional savings vehicle alongside your workplace retirement plan or an account that offers you a wider range of investment options, IRAs can offer an opportunity to enhance your overall retirement strategy.

Here are some important questions and answers to help you understand which type of IRA may be right for you (it may make sense to have both).

WHAT IS AN IRA?

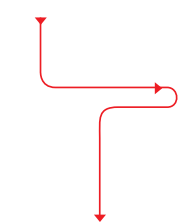
A standalone retirement account — not tied to an employer — that offers tax advantages to help you save for the future. It can hold individual stocks, bonds, and mutual funds, among other assets. You can open an IRA with financial institutions such as banks, investment companies, and online brokerage firms.

WHAT'S THE DIFFERENCE BETWEEN A TRADITIONAL AND ROTH IRA?

The main difference is when you pay income taxes on the money that goes into the account — either on the front end or the back end.

TRADITIONAL

Contributions are made **before** taxes are paid

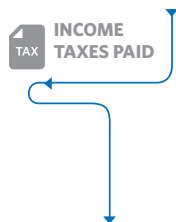


TAX INCOME TAXES DUE

At withdrawal, **taxed as ordinary income**

ROTH

Contributions are made **after** taxes are paid



TAX INCOME TAXES PAID

At withdrawal, **no taxes due on qualified distributions***

YOUR
RETIREMENT
ACCOUNT

*You must hold the account for at least five years and be at least age 59 ½. Other withdrawals may be subject to a 10% IRS penalty if you are under age 59 ½.

WHAT ARE THE BENEFITS TO INVESTING IN AN IRA?

- Access to a wide range of investment options
- Added source of retirement savings to complement your workplace plan
- Tax-deferred investment growth

WHO CAN PUT MONEY INTO AN IRA?

You or your spouse (if you file a joint tax return) may contribute to an IRA if you have taxable income during the year and meet IRS income requirements. If your modified adjusted gross income is over a certain limit, you may not be able to claim a tax deduction for traditional IRA contributions and/or you may not be eligible to make Roth IRA contributions.

Go to [IRS.gov/publications/p590a](https://www.irs.gov/publications/p590a) to determine your eligibility for IRA contributions.

HOW MUCH CAN I CONTRIBUTE TO AN IRA?

In 2025, you can contribute up to \$7,000 per year. If you are 50 or older, you can contribute up to \$8,000 per year. These limits are in addition to what you can save in a workplace retirement plan.

HOW DO I INVEST IN AN IRA?

Depending on the type of IRA, you may have access to a wide range of investment options, including mutual funds, stocks, bonds, and annuities. Stocks may be more suitable if you're seeking long-term growth, while bonds may be a better option if you're concerned about a potential market downturn. Staying diversified — or not putting all your eggs in one basket — can help you endure market swings during your retirement journey.

Most institutions will offer managed IRAs, where the investment mix is chosen for you based on factors such as your risk tolerance or long-term goals. If you're comfortable selecting and managing your investments, you can also choose a self-directed IRA.

WHEN CAN I WITHDRAW FROM AN IRA?

You can withdraw your money from an IRA whenever you want. However, if you're under age 59½, a 10% penalty tax generally applies. Although there are other exceptions, it's best to speak with a tax professional if you're considering withdrawing money from an IRA.

Traditional	Roth
Money taxed as ordinary income when withdrawn. There is no 10% penalty tax if over 59½ or another exception has been met.	Tax-free withdrawals if over 59½ years old and it's been at least five years since the initial Roth contribution. If withdrawals are made prior to the above criteria being met, ordinary income taxes on investment gains are required.

Note: Loans are not allowed from IRAs.

AM I REQUIRED TO WITHDRAW MY MONEY?

You're required to start withdrawing money from an IRA when you reach a certain age (see the chart below). This is referred to as a required minimum distribution (RMD) and you're required to satisfy your first RMD by April 1 in the year following the year your RMD is due (subsequent RMDs must be taken by December 31st of each year).

Year Born	Age RMDs begin
Before 1951	72
1951 - 1959	73
1960 or later	75

Note: Roth IRAs do not have required minimum distributions.



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Considering an IRA?

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CALL

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