

	Traditional IRA	Roth IRA
Tax Advantage	Tax-deferred earnings	Tax-free earnings
Eligibility	You must have earned income equal to or greater than your contribution.  No maximum income limit.  You must be under age 70 1/2.	You must have earned income equal to or greater than your contribution.  Your modified adjusted gross income must fall within the limits prescribed by the IRS.  No maximum age to contribute.
Minimum initial contribution	\$5.00	\$5.00
Maximum contribution allowed by law	\$5,500.00 for 2018 \$6,500.00 if you're age 50 or older	\$5,500.00 for 2018 \$6,500.00 if you're age 50 or older
Tax deductibility	If you're not covered by an employee-sponsored retirement plan, contributions are fully deductible regardless of income.  If you're covered by an employer-sponsored retirement plan, your deductible amount depends on your income.	Contributions are nondeductible.
Taxes on withdrawals	Ordinary income tax on earnings & deductible contributions.  No federal tax on nondeductible contributions.  State taxes may apply.	Distributions from contributions are tax-free.  Distributions from earnings are federally tax-free if you've had your Roth IRA for at least 5 years & you're over age 59 1/2, or you're under age 59 1/2, you've had your Roth IRA for at least 5 years, & the distribution is due to your death or disability or for a first-time home purchase.  State tax may apply.
Penalty for early withdrawal	10% federal penalty tax on withdrawals before age 59 1/2 unless exception applies.	Distributions from contributions are penalty free.  10% federal tax on withdrawals of earnings before age 59 1/2 unless exception applies.
Required minimum distributions	After age 70 1/2	None
Contribution deadline	Generally April 15th of the following year for any given tax year.	Generally April 15th of the following year for any given tax year.

\*If you're married and filing a joint income tax return, your nonworking spouse may also contribute to an IRA. The total contribution for both spouses can't exceed the income of the working spouse for the contribution year.

## Choose the IRA that meets your needs

Use this quick reference to determine if a Traditional or Roth IRA will work for you.

The chart inside details the advantages of both types of IRA's. If you are eligible to contribute to both a Traditional and Roth IRA and are still unsure of which type of IRA is right for you follow these general rules of thumb.

1. Choose a Roth IRA if you don't need the tax break right now.
  - a. You can withdraw regular contributions at any time, tax and penalty free.
  - b. You don't have to take mandatory distributions at age 70 1/2.
2. Choose a Traditional IRA if you want the tax deduction right now. It also makes sense if you anticipate paying taxes at a significantly lower rate in retirement.



If you have any questions, please call or stop in today!

1-800-832-9328 or (570) 693-0500  
Extension 420 for Nina or 431 for Kim

Our IRA professionals can answer your questions and help you open your account.



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## Comparing your IRA Options

