

	TRADITIONAL IRA	ROTH IRA
<b>DESCRIPTION:</b>		
<b>Appeals to eligible investors who:</b>	<p>Want to move retirement funds from an employer-sponsored plan to an IRA</p> <p>Anticipate being in a lower tax bracket in retirement, or</p> <p>Meet the criteria for making tax-deductible contributions and are most interested in a current tax deduction or not eligible to contribute to a Roth IRA</p>	<p>Want to move retirement funds from an employer-sponsored plan to an IRA</p> <p>Want tax-deferred earnings and qualified tax-free distributions</p> <p>Looking for tax-free income at retirement and expect their tax bracket to be the same or higher in retirement</p> <p>Interested in passing IRA assets to their heirs</p> <p>May not need their IRA assets to cover living expenses during retirement</p>
<b>Minimum balance</b>	\$500.00	\$500.00
<b>Set-up costs</b>	None	None
<b>Annual Fee</b>	None	None
<b>Investments</b>	NCUA-insured bank products (share account and fixed-rate CDs)	NCUA-insured bank products (share account and fixed-rate CDs)
<b>CONTRIBUTIONS:</b>		
<b>Annual Maximum Contribution</b>	<p>Eligible rollover amounts from employer sponsored plans are unlimited, but contribution limits are lesser of 100% of your earned income, or:</p> <p>2013: \$5,500 2014: \$5,500</p> <p>Aggregated with other IRA accounts (except Education Savings Accounts, SEP &amp; Simple Employer Contributions)</p>	<p>Eligible rollover amounts from employer sponsored plans are unlimited, but contribution limits are lesser of 100% of your earned income, or:</p> <p>2013: \$5,500 2014: \$5,500</p> <p>Aggregated with other IRA accounts (except Education Savings Accounts, SEP &amp; Simple Employer Contributions)</p>
<b>Catch-Up Provisions (age 50 and older)</b>	2006 & beyond: \$1,000	2006 & beyond: \$1,000
<b>Contribution Deadline</b>	April 15 of the following year, the tax filing deadline.	April 15 of the following year, the tax filing deadline.
<b>Restrictions on Contributions</b>	<p>Contributions can only be made prior to the year in which the IRA owner turns 70 ½</p> <p>Must have earned income</p>	<p>No age requirements</p> <p>Must have earned income and be within Modified AGI Limits (MAGI). 2014 Married filing joint: &lt; \$181,000 up to limit; ≥ \$181,000 but &lt; \$191,000 a reduced amount 2014 Single: &lt; \$114,000 up to limit; ≥ \$114,000 but &lt; \$129,000 a reduced amount</p>
<b>Deductible Contributions?</b>	Tax Deductible (Subject to income limits and participation in an employer-sponsored plan)	Non-deductible Contributions
<b>DISTRIBUTIONS:</b>		
<b>Taxation on Distributions</b>	<p>Earnings and deductible contributions are taxed as ordinary income</p> <p>Early distributions are subject to current federal income taxes and a possible 10% penalty (if the participant is under age 59½) unless due to:</p> <ul style="list-style-type: none"> <li>- Death</li> <li>- Disability</li> <li>- Eligible medical expenses</li> <li>- Certain unemployed individual's health insurance premiums</li> <li>- Limited "first time" home purchase (\$10,000 life-time maximum)</li> <li>- Qualified higher expenses or IRS levy.</li> </ul> <p>No tax on non-deductible contributions</p>	<p>Qualified distributions of contributions may generally be distributed tax- and penalty-free</p> <p>Earnings are distributed <u>tax-free</u> if held in Roth IRA for 5 years and meet one of the following qualified reasons:</p> <ul style="list-style-type: none"> <li>- Over 59½</li> <li>- Death</li> <li>- Disability</li> <li>- First time home purchase</li> </ul> <p>Earnings are distributed <u>penalty-free</u> if any of the above reasons are met and;</p> <ul style="list-style-type: none"> <li>- Education expense</li> <li>- Large medical expense</li> <li>- Health insurance premiums while unemployed</li> </ul> <p>All other reasons may be subject to 10% penalty</p>
<b>Mandatory Distributions</b>	Age 70 ½ Beneficiary (except spouse) begin the year following the IRA owner's death	None during lifetime Beneficiary (except spouse) begin the year following the IRA owner's death