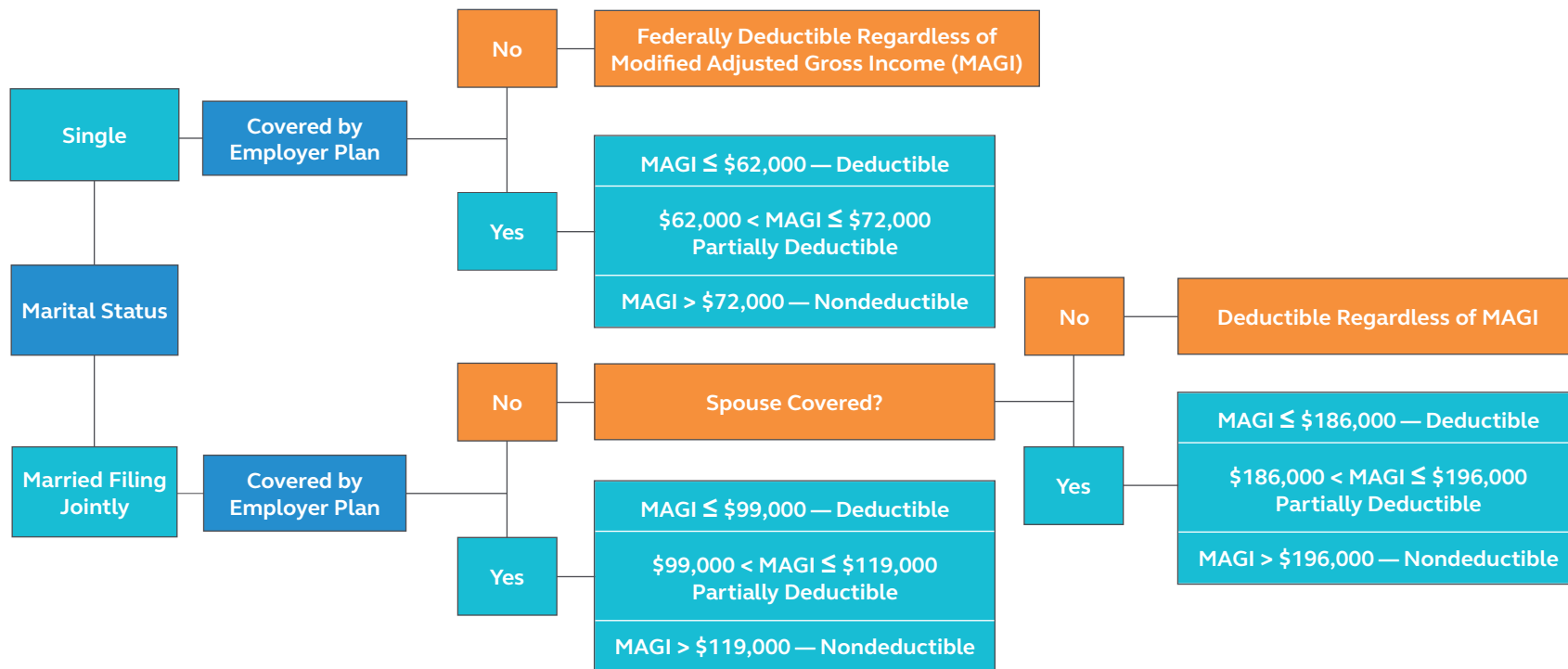


# Deductibility of Traditional IRA Contributions

2017 Tax Year



The IRA contribution limit for tax year 2017 is \$5,500. If age 50 or older, you can make an additional catch-up contribution of \$1,000 for a total contribution of \$6,500.

## Choosing the type of IRA that's right for you

The differences between a traditional IRA and Roth IRA are outlined in the chart below.

	Traditional IRA	Roth IRA
<b>Eligibility</b>	Under age 70½ with earned income.	Any age with earned income.
<b>Annual contribution limit</b>	2017 \$5,500	Same as traditional. Must have household Modified Adjusted Gross Income (MAGI) of maximum limit \$118,000 or less (single) or \$186,000 or less (married) to make maximum contributions. Individuals with MAGI \$118,000 – \$133,000 or married couples with MAGI \$186,000 – \$196,000 may make smaller contributions.*
<b>Deductibility of contributions</b>	Fully tax-deductible if not covered by an employer-sponsored retirement plan. Fully tax-deductible if covered by an employer-sponsored retirement plan and household MAGI is below \$62,000 (single) or \$99,000 (married). Individuals with MAGI \$62,000 – \$72,000 or married couples with MAGI \$99,000 – \$119,000 may make partially deductible contributions.*	Not tax-deductible.
<b>Tax on earnings</b>	Income tax-deferred and are taxed as ordinary income when withdrawn.	Federally tax-free if taken after five years and meets any one of the following: age 59½, death, disability, or first-time home purchase (up to \$10,000).
<b>Tax on withdrawals</b>	Withdrawals are taxed as ordinary income (except those representing nondeductible contributions).	Contributions are federally tax-free at any time. Earnings will be taxed unless they meet the conditions stated above.
<b>Early withdrawal contributions</b>	Withdrawals taken prior to age 59½ are subject to a 10% IRS-imposed penalty unless one of several conditions is met. They include: <ul style="list-style-type: none"> <li>• Death or disability</li> <li>• Catastrophic medical expenses</li> <li>• First-time home purchase (up to \$10,000)</li> <li>• Higher education</li> <li>• Substantially equal periodic payments</li> <li>• Additional exceptions may apply</li> </ul>	Withdrawals of earnings which do not meet the five-year exception are subject to a 10% IRS-imposed penalty unless one of several conditions is met. This includes: <ul style="list-style-type: none"> <li>• Age 59½</li> <li>• Death or disability</li> <li>• Catastrophic medical expenses</li> <li>• First-time home purchase (up to \$10,000)</li> <li>• Higher education</li> <li>• Substantially equal periodic payments</li> <li>• Additional exceptions may apply</li> </ul>
<b>Required minimum distribution rules</b>	Must begin withdrawing by April 1 of the year after you reach age 70½.	Not required to take withdrawals by any certain age.
<b>Annual additional catch-up contributions for age 50 and older</b>	2017 \$1,000	Same.

\*2017 tax year



### Contact Your Financial Professional

To help you find the best type of IRA for your needs, contact your financial professional to get started.



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