Comparing your IRA choices, 2025

Subject	Traditional IRA	Roth IRA
Tax benefits	· Tax-deferred earnings · Contributions may be tax-deductible subject to Modified Adjusted Gross Income (MAGI) limits below	· Tax-advantaged earnings · Tax-free qualified distributions[1]
Eligibility	· There is no maximum age restriction for making a Traditional IRA contribution as long as you have earned income · Your non-working spouse is eligible, if you file a joint tax return no matter their age. **Did you know...** You can make a non-deductible contribution to a Traditional IRA even if your income exceeds deductibility limits?	· You can contribute at any age as long as you have earned income and are within or under MAGI limits · Your non-working spouse at any age can contribute, if you file a joint tax return and are within or under MAGI limits · Contributions are phased out based upon MAGI:

Single	Married/ joint	Married/ separate[2]	Contribution
Up to $150,000	Up to $236,000	N/A	Full
$150,000 – $165,000	$236,000 – $246,000	Up to $10,000	Partial
Over $165,000	Over $246,000	Over $10,000	None

Deduction of contributions

Traditional IRA:

- Full deduction if you and if married your spouse are not covered[3] by a workplace retirement plan (WRP), such as a 401(k), 403(b), SEP, or SIMPLE IRA, regardless of income
- Individual covered[3] by a WRP, deductions are phased out based upon marital status and MAGI:

Single	Married/joint	Married/ separate[1]	Deduction
Up to $79,000	Up to $126,000	N/A	Full
$79,000 – $89,000	$126,000 – $146,000	Up to $10,000	Partial
Over $89,000	Over $143,000	Over $10,000	None

- If your spouse is covered[3] by a WRP but you are not, your deductions are phased out based upon MAGI:

Married/joint	Married/separate[1]	Deduction
Up to $236,000	N/A	Full
$236,000 – $246,000	Up to $10,000	Partial
Over $246,000	Over $10,000	None

Roth IRA:

- Contributions are not deductible

Open and/or contribute to an IRA by April 15, 2026, for 2025 to increase your retirement savings and potential tax benefits

Subject	Traditional IRA	Roth IRA
Contribution limits	Lesser of 100% of earned income or $7,000 (per individual if under age 50) or $8,000 (per individual if age 50 or older within a particular tax year). Traditional and Roth IRA contributions are aggregated. April 15, 2026, is the deadline for the 2025 tax year. Contributions must be made in cash, check, or money order. Contributions cannot be made in-kind, i.e., securities, property.	
Required minimum distributions (RMDs)	· Required Minimum Distributions (RMDs) for Traditional, SEP, and SIMPLE IRAs begin by your Required Beginning Date (RBD), which is generally April 1 following the year you turn age 73.	· None during your lifetime
Taxes on distributions	· Before-tax contributions and any earnings are subject to ordinary income tax. · If you have before- and after-tax amounts in any of your Traditional, SEP, or SIMPLE IRAs, all distributions or conversions are taken on pro rata basis. · You may be subject to an IRS 10% additional tax for early or pre-59½ distributions (10% additional tax) unless an exception applies.	· Contributions are always distributed tax-free. · Qualified distributions are tax-free. Distributions are qualified after five years **and** age 59½ or you are disabled, or using the first time homebuyer exception, or taken by your beneficiaries due to your death. · A non-qualified distribution may be subject to ordinary income tax and a 10% additional tax unless an exception applies.
Exception to 10% additional tax	Exceptions to the 10% additional tax include distributions after reaching age 59½, death, disability, eligible medical expenses, certain unemployed individuals' health insurance premiums, qualified first-time homebuyer ($10,000 lifetime maximum), qualified higher education expenses, Substantially Equal Periodic Payments (SEPP), Roth conversions, qualified reservist distribution, certain qualified disaster distributions defined by the IRS, birth or adoption expenses (up to $5,000), personal family emergency up to $1,000, domestic abuse up to $10,000, terminal illness, or IRS levy.	

1 Qualified distributions are tax-free. Distributions are qualified after the Roth IRA has been funded for more than five years and you are at least age 59½, or as a result of your death, disability, or using the first time homebuyer exception or taken by your beneficiaries due to your death.

2 Your filing status is considered single for IRA contribution purposes if you did not live with your spouse during the tax year.

3 The "Retirement Plan" box in Box 13 of your W-2 tax form should be checked if you were covered by a WRP.

Retirement asset consolidation

Most investors have accumulated a number of retirement accounts over the years. To simplify your finances, consider consolidating your financial assets with one provider.

Beneficiary planning

Clear establishment of your IRA beneficiaries today will help ensure your assets are distributed as you wish. It's important to review and update your beneficiaries every few years or after significant life events, such as a birth of a child or grandchild, a marriage or divorce, or the death of a beneficiary. Beneficiaries named in retirement accounts take precedence over instructions in a will or trust.

RMDs

Traditional, SEP, and SIMPLE IRA owners begin taking RMDs by your Required Beginning Date (RBD), which is generally April 1 following the year you turn age 73, and annually thereafter.

Eligible designated beneficiaries and beneficiaries who inherited a Traditional and/or Roth IRA before 2020 begin taking RMDs by December 31 of the year following the death of the IRA owner.

If you don't satisfy your RMD, you may be subject to an IRS 25% excise tax for every dollar under-distributed. This may be reduced to 10%, if you correct the shortfall during a two-year correction window.

529 to Roth IRA

If you are a designated beneficiary of a 529 plan, you may be eligible to have a direct rollover contribution made on your behalf from your 529 plan to your Roth IRA, up to the maximum annual contribution limit for your age. This amount is aggregated with any other annual IRA contributions. The amount rolled over cannot exceed the lifetime maximum of $35,000. MAGI limits do not apply.