



Wealth is the ability to fully experience life.

Individual Retirement Account (IRA)

The key difference between a Roth and traditional IRA is in the timing of their tax advantages. With traditional IRAs, you deduct contributions now and pay taxes on withdrawals later. With Roth IRAs, you pay taxes on contributions now and get tax-free withdrawals later. Below are additional points to consider to determine which IRA is right for you.

	TRADITIONAL IRA	ROTH IRA
Overview	Individual retirement account	Similar to a traditional IRA but contributions are not tax-deductible
Eligibility: 2025 Income Limits	No income limits; anyone can contribute as long as they have earned income	<i>Single/head of household:</i> \$150,000 – \$165,000 <i>Married, filing jointly:</i> \$236,000 – \$246,000
Eligibility: Withdrawals	If age 59 1/2 or younger, withdrawals are subject to 10% federal early withdrawal fee. Exceptions apply with Rule 72(t).	If held less than five years, withdrawals result in taxable earnings and 10% early withdrawal fee if age 59 1/2 or less. Can withdraw contributions only, anytime without penalty.
2025 Annual Contribution Limits	Age 49 and below: \$7,000 cumulative Age 50 and above: \$8,000 cumulative	Age 49 and below: \$7,000 cumulative Age 50 and above: \$8,000 cumulative
Investment Options	Unlimited and controlled by you	Unlimited and controlled by you
Tax Considerations	Tax-deferred growth + offers tax-deductible contributions for those who don't participate in an employer-sponsored plan	Pay tax on income before you make contributions, but you'll pay no tax on the earnings when you make withdrawals in retirement
Required Minimum Distributions (RMDs)	Distribution must begin by age 72	No requirements
Management and Communication	Face-to-face meetings or video meetings with a professional financial advisor offering customized personal advice, account consolidation, household financial planning, and comprehensive services of our firm	Face-to-face meetings or video meetings with a professional financial advisor offering customized personal advice, account consolidation, household financial planning, and comprehensive services of our firm
Fees	IRA fees are priced at the individual retirement account level	IRA fees are priced at the individual retirement account level

Teresa Hart | 708 E. Kay Avenue, Suite 3, Mitchell, SD 57301 | (605) 292 - 0202 | teresa@hartfinancial.net

Sue Benedict | 7304 50th Avenue South, Sabin, MN 56580 | (701) 866 - 1653 | sue@hartfinancial.net

Securities and investment advisory services offered through Osaic Wealth, Inc. member FINRA/SIPC. Osaic Wealth is separately owned and other entities and/or marketing names, products or services referenced here are independent of Osaic. Osaic does not provide tax or legal advice.