



Compare IRA Accounts

It takes careful planning to ensure a financially secure retirement. With this in mind, New Tripoli Bank offers a variety of attractive Individual Retirement Account (IRA) options (Traditional, Roth, Coverdell, Simplified Employee Pensions) and terms. IRA funds are insured by the FDIC separately from non-retirement plans, up to \$250,000.00 per financial institution.

| | Traditional IRA (Individual Retirement Account) | Roth IRA (Individual Retirement Account) | Coverdell Education Savings Account (ESA) |
|--|---|---|--|
| Qualifications | Must have earned income and not have reached age 70 ½ by the end of the year | Must have earned income. There are no age restrictions. | The designated beneficiary must be an individual under the age of 18. The age-18 limitation will not apply to any designated beneficiary with special needs. |
| Maximum Contributions | 2019: \$6,000, plus \$1,000 "catch-up" contribution (if age 50 or over during the year) 2018: \$5,500, plus \$1,000 "catch-up" contribution | 2019: \$6,000, plus \$1,000 "catch-up" contribution (if age 50 or over during the year) 2018: \$5,500, plus \$1,000 "catch-up" contribution | 2018-19: \$2,000 per beneficiary (ESA contributions do not count against IRA contribution limits) |
| Tax Status of Earnings | Tax-deferred until withdrawal | Earnings grow tax-deferred. Tax-free on qualified withdrawals | Earnings grow tax-deferred. Tax-free on qualified withdrawals |
| Contribution Restrictions | None if you are under age 70½ and have earned income. However, if you are an active participant in an employer retirement plan, your contribution may not be deductible (See tax-deduction section below). | Yes, 2019 contributions phase out between \$122,000 - \$137,000 for singles and \$193,000 - \$203,000 for married couples. Married filing separate phase out: \$0 - \$10,000 2018 contributions phase out between \$120,000 - \$135,000 for singles and \$189,000 - \$199,000 for married couples. Married filing separate phase out: \$0 - \$10,000 | Yes, 2018 - 2019 contributions phase out between \$95,000 - \$110,000 for single tax filers and \$190,000 - \$220,000 for joint tax filers. If income exceeds phase-out limit, contributions are not allowed. |
| Self-Employed Pension Contributions | Contributions are allowed for SEPs | No | No |
| Tax Deduction | Yes (See Traditional IRA Tax Deduction explanation chart below) | No | No |
| IRS Penalties for Early Withdrawal | None if: - Over 59 ½ - Death or disability - Qualified medical expenses - Health insurance premiums following unemployment - Higher educational expenses - 1st time home purchase (up to \$10,000) - Due to IRS levy - Substantially equal periodic payment - Qualified reservist distribution | None if: - Over 59 ½ - Death or disability - Qualified medical expenses - Health insurance premiums following unemployment - Higher educational expenses - 1st time home purchase (up to \$10,000) - Due to IRS levy - Substantially equal periodic payment - Qualified reservist distribution | None if: - For payment of qualified education expenses |
| Required Distributions | Must begin by April 1 following year participant turns 70 ½ | Only after death of the participant | Must be completed 30 days after beneficiary reaches age 30 (except for special needs children) or death |
| Contribution Age Limit | Not allowed after the year age 70 ½ is attained | None | Not allowed after attaining age 18 except for special needs children |

Traditional IRA Account Tax Deduction

Contributions up to the limit are fully tax-deductible if you are not an active participant in an employer-sponsored retirement plan.

If you are an active participant and a single tax filer, your deductibility phase-out range for tax year 2019 is \$64,000 - \$74,000, up from \$63,000 to \$73,000 in 2018.

If you are married and filing a joint return, your deductibility phase-out range for tax year 2019 is \$103,000 - \$123,000, up from \$101,000 to \$121,000 in 2018.

Note: For an IRA contributor who is not an active participant and is married to someone who is an active participant, the deductibility phase-out range is \$193,000 - \$203,000 for 2019 and \$189,000 - \$199,000 for 2018.