



## 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)
<b>Qualifications</b>	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.
<b>Maximum Contributions</b>	2019 - 2020: \$6,000, plus \$1,000 "catch-up" contribution (if age 50 or over during the year).	2019 - 2020: \$6,000, plus \$1,000 "catch-up" contribution (if age 50 or over during the year).	2019 - 2020: \$2,000 per beneficiary (ESA contributions do not count against IRA contribution limits).
<b>Tax Status of Earnings</b>	Tax-deferred until withdrawal.	Earnings grow tax-deferred. Tax-free on qualified withdrawals.	Earnings grow tax-deferred. Tax-free on qualified withdrawals.
<b>Contribution Restrictions</b>	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, 2020 contributions phase out between \$124,000 - \$139,000 for singles and \$196,000 - \$206,000 for married couples. Married filing separate phase out: \$0 - \$10,000.	Yes, 2019 - 2020 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.
<b>Self-Employed Pension Contributions</b>	Contributions are allowed for SEPs.	No	No
<b>Tax Deduction</b>	Yes (see Traditional IRA Tax Deduction explanation chart below).	No	No
<b>IRS Penalties for Early Withdrawal</b>	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
<b>Required Distributions</b>	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
<b>Contribution Age Limit</b>	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 2020 is \$65,000 - \$75,000, up from \$64,000 - \$74,000 in 2019.

If you are married and filing a joint return, your deductibility phase-out range for tax year 2020 is \$104,000 - \$124,000, up from \$103,000 - \$123,000 in 2019.

 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 \$196,000 - \$206,000 for 2020 and \$193,000 - \$203,000 for 2019.