

IRA Quick Guide

RED ROCK
WEALTH MANAGEMENT



No minimum age requirement for IRA's



Must have earned income to fund an IRA



Max contribution is the greater of taxable compensation OR \$5,500 for 2016 (\$6,500 if age 50 or older)



APRIL
15

Contribution deadline for the prior year is your tax filing due date, not including extensions.



Contributions are reported on IRS Form 5498, distributions on Form 1099-R.



Assets pass outside of your estate and probate to your designated beneficiary(s)

for more visit
retirewire.com

IRA



Is better if you're in higher tax brackets now, and will be in lower tax brackets in retirement

IRA contributions may be tax deductible



Investment earnings grow tax deferred

Can't contribute if you're over 70 and 1/2



Income limits affect the tax deductibility

Required minimum distributions start at age 70 and 1/2



Distributions are taxed as ordinary income

10% penalty prior to age 59 and 1/2



Roth IRA

Is better if you expect your taxes to be the same or higher in retirement



Roth IRA's are funded with after-tax dollars

Distributions are tax-free if you're over age 59.5 & the Roth IRA was funded at least 5 years ago



Can contribute at any age

Contributions may be limited based on your income



No required distributions ever

Distributions of earnings or IRA conversions within five years may be subject a 10% penalty.

