



## 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. There are no age restrictions.	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>	2024 - 2025: \$7,000, plus \$1,000 "catch-up" contribution (if age 50 or over during the year).	2024 - 2025: \$7,000, plus \$1,000 "catch-up" contribution (if age 50 or over during the year).	2024 - 2025: \$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 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, 2024 contributions phase out between \$146,000 - \$161,000 for singles and \$228,000 - \$240,000 for married couples. Married filing separate phase out: \$0 - \$10,000.	Yes, 2024 contribution limits are \$110,000 for single tax filers and \$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 73	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>	None	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 2024 is \$77,000 - \$87,000.

If you are married and filing a joint return, your deductibility phase-out range for tax year 2024 is \$123,000 - \$143,000.

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 \$230,000 - \$240,000.