

# Roth vs Traditional IRA

You may be wondering what the difference is between a Roth and a Traditional IRA.  
Here is a quick table:

	Traditional IRA	Roth IRA
<b>Maximum yearly contribution (2023)</b>	Lesser of \$6,500 or 100% of earned income (\$7,500 if age 50 or older)	Lesser of \$6,500 or 100% of earned income (\$7,500 if age 50 or older)
<b>Tax-deductible contributions</b>	Yes. Fully deductible if neither you nor your spouse is covered by a retirement plan. Otherwise, your deduction depends on your income and filing status.	No. Contributions to a Roth IRA are never tax deductible.
<b>Age restriction on contributions</b>	No	Yes
<b>Tax-deferred growth</b>	Yes	Yes; tax free if you meet the requirements for a qualified distribution.
<b>Required minimum distributions during lifetime</b>	You must start taking distributions by April 1 following the year in which you turn age 72 (70 ½ if you reach the age of 70 ½ before January 1, 2020) and by December 31 of later years.	Not required if you are the original owner
<b>Federal income tax on distributions</b>	Yes, to the extent that a distribution represents deductible contributions and investment earnings.	No, for qualified distributions. For nonqualified distributions, only the earnings portion is taxable.
<b>Beneficiaries pay income tax on distributions after IRA owner's death</b>	Yes, to the extent that a distribution represents deductible contributions and investment earnings.	Generally no, as long as the account has been in existence for at least five years.

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