

# M1 Individual Retirement Accounts

The two major types of IRAs that help you save for retirement are Traditional and Roth. Both have their benefits and are highly beneficial for people saving for retirement. Before opening a M1 retirement account take a look at the differences below. If you plan on transferring over your existing retirement account, make sure it is the same type.

|                    | Roth  | Traditional  |
|--------------------|---|--|
|                    | Allows people to make after tax contributions, its built for people who expect to be in a higher tax bracket in the future  | Allows people to make pre-tax contributions, its built for people who expect to be in the same or lower tax bracket in the future  |
| TAX BENEFITS       | <b>Growth:</b> Tax-Free<br><b>Deductible Contributions:</b> No  | <b>Growth:</b> Tax-Deferred<br><b>Deductible Contributions:</b> Yes  |
| CONTRIBUTIONS      | <b>Contributions:</b> After-Tax Dollars<br><b>Maximum:</b> \$5,500 (\$6,500 if you are over 50)<br><b>Income Restrictions:</b> Must be below certain thresholds<br><b>Age Limit:</b> None | <b>Contributions:</b> Before-Tax Dollars<br><b>Maximum:</b> \$5,500 (\$6,500 if you are over 50)<br><b>Income Restrictions:</b> Anyone with income<br><b>Age Limit:</b> 70 ½ |
| DISTRIBUTIONS      | <b>Disbursements:</b> Penalty and Tax Free after invested for 5 Years and age 59 ½<br><b>Mandatory Distribution:</b> None   | <b>Disbursements:</b> Penalty-free but taxed as current income after age 59 ½<br><b>Mandatory Distribution:</b> Starts after 70½   |
| THE BIG DIFFERENCE | Tax-free growth and tax-free withdrawals in the future  | Tax-free growth and tax benefits today   |