Regular IRA vs. Roth IRA...A 2011 Comparison

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Eligible individuals can contribute to a tax-deductible traditional IRA, to a non-deductible Roth IRA or to a combination of the two. However, no more than a combined total of $5,000/$6,000 if age 50 or older in 2011 (or 100% of earned income if less) may be contributed to these accounts each year.

Individuals who are not eligible for deductible contributions to a traditional IRA or to make contributions to a Roth IRA may still make non-deductible contributions to a traditional IRA and receive the benefits of tax-deferred growth.

Which type of IRA is best for you depends on your situation, needs and objectives. The comparison that follows is designed to help you make an informed decision.

	Traditional IRA (tax deductible)	Roth IRA	Traditional IRA (non-deductible)
Deductible Contributions	Yes (1)	No	No (1)
Limit on Contributions	Yes (lesser of $5,000; $6,000 if age 50 or older; or 100% of earned income)	Yes (lesser of $5,000; $6,000 if age 50 or older; or 100% of earned income)	Yes (lesser of $5,000; $6,000 if age 50 or older; or 100% of earned income)
Tax-Deferred Growth	Yes	Yes	Yes
Tax-Free Distributions	No (fully taxable)	Yes (if qualified distributions)	No (partially taxable)
Age Limits	Yes (contributions cannot be made after age 70-1/2)	No	Yes (contributions cannot be made after age 70-1/2)
Income Limits	No	Yes (contribution phased out if adjusted gross income exceeds specified limits)	No
Minimum Distribution Requirement	Yes (distributions must begin by age 70-1/2)	No	Yes (distributions must begin by age 70-1/2)
Bankruptcy Protection	Yes, up to $1 million for all IRAs	Yes, up to $1 million for all IRAs	Yes, up to $1 million for all IRAs

(1) Traditional IRA contributions are fully deductible from income **unless** an individual and/or spouse are active participants in an employer-sponsored retirement plan, including a tax-deferred annuity (TDA). In that event, the IRA deduction is gradually phased out as adjusted gross income exceeds specified limits, in which case an IRA contribution may be partially deductible or non-deductible.