

ROTH IRA DEFINITION

A Roth IRA is an individual retirement arrangement that allows a person to make contributions using after-tax dollars and to withdraw those contributions and earnings (gain) income tax-free under certain circumstances.

ROTH IRA CONTRIBUTION INFORMATION

- The account or annuity must be designated as a Roth IRA when it is created.
- Roth IRA contributions must be made in a specific person's name and the Roth IRA cannot be jointly owned.
- You can make contributions for the prior year to a Roth IRA by the due date (not including extensions) for filing your tax return, provided you timely designate the prior year in writing.
- Your earned income must exceed the amount of your Roth IRA contribution in any given year.
- If you file a joint return and only one spouse works, both spouses can make Roth IRA contributions as long as the working spouse makes enough income to cover both contributions.
- You can contribute to a Roth IRA even if you contribute to another Retirement Plan at work.
- You can make contributions to your Roth IRA after you reach age 70 ½, unlike a traditional IRA.
- If contributions to your Roth IRA in any given year exceed the annual limit you will be charged a 6% excise tax on the amount over the limit. The amount contributed over the limit may be applied to the following year.
- The contribution limit to your Roth IRA is reduced by any contribution you made to a traditional IRA for the same year.
- The original principal contributed to a Roth IRA can be withdrawn at any time tax and penalty free.
- Unlike a Traditional IRA, you cannot deduct contributions to a Roth IRA.

2026 Maximum Roth IRA Contribution Limits

Roth IRA Contribution Under Age 50	\$7,500	Roth IRA Contribution at Age 50 or Older	\$8,600
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2026 Phase-Out of Roth IRA Contribution Eligibility

Tax Filing Status	Modified Adjusted Gross Income
Single	\$153,000 - \$168,000
Married, Filing Jointly	\$242,000 - \$252,000

2026 Roth IRA Conversion Eligibility

No Restrictions on Roth IRA Conversions, except for timing restrictions after a recharacterization. Roth IRA conversions completed after December 31, 2017 cannot be recharacterized.

ROTH IRA TAX & WITHDRAWAL INFORMATION

- You can leave amounts in your Roth IRA as long as you are living.
- Roth IRA's are not subject to Required Minimum Distributions as long as the account owner is alive.
- Required Minimum Distribution rules do apply to beneficiaries of a Roth IRA.
- If you satisfy the requirements, qualified distributions are tax-free.
- Certain ordering rules apply to determine if any part of a non-qualified distribution is included in taxable income.
- A qualified distribution is any withdrawal from your Roth IRA that meets the following requirements:
 - It is withdrawn at least 5 years after your initial contribution to any Roth IRA year, and the withdrawal is:
 - a. Taken on or after the date you reach age 59½.
 - b. Taken because you are disabled.
 - c. Paid to a beneficiary after your death.
 - d. One that meets the requirements listed under First Home under Exceptions (up to a \$10,000 lifetime limit).