

# Will my Roth IRA withdrawal be subject to tax or 10% penalty?

Withdrawal Type <i>(based on ordering)</i>	Qualified Distributions <sup>A</sup>		Non-Qualified Distributions			
			<i>Penalty Exception<sup>B</sup> :</i> <i>Yes</i>		<i>Penalty Exception<sup>B</sup> :</i> <i>No</i>	
	Tax?	Penalty?	Tax?	Penalty?	Tax?	Penalty?
1 Contribution	No	No	No	No	No	No
2 Conversion (taxable)	No	No	No	No	No	Yes <sup>C</sup>
3 Conversion (nontaxable)	No	No	No	No	No	No
4 Earnings	No	No	Yes	No	Yes	Yes

## Footnotes:

A "Qualified Distributions" are withdrawals that occur AFTER:

- The account holder's first/oldest Roth IRA has been open at least five years. The five-year period begins January 1 of the year the account was funded

AND

- One of the following:
  - Account holder is at least 59 1/2
  - Withdrawal occurred after account holder's death (i.e. after inherited by beneficiary)
  - Withdrawal is used for first-time home purchase (up to \$10,000 lifetime limit)
  - Account holder is totally disabled

B Non-Qualified Distributions avoid the 10% penalty if one of the following:

- Account holder is at least 59 1/2
- Withdrawal occurred after account holder's death (i.e. after inherited by beneficiary)
- Withdrawal is used for first-time home purchase (up to \$10,000 lifetime limit)
- Account holder is totally disabled
- Withdrawal is part of a series of Substantially Equal Periodic Payments under rule 72(t)
- Withdrawal is used to pay medical insurance premiums during period of unemployment
- Withdrawal is used to pay unreimbursed medical expenses in excess of 7.5% of Adjusted Gross Income
- Withdrawal is used to pay qualified higher education expenses
- Withdrawal is due to an IRS levy
- Withdrawal is a "qualified reservist" withdrawal (only applicable to military reservists)

C If withdrawn within five years of the conversion. The five-year period begins January 1 of the year of the conversion. Each conversion has its own five-year period

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