

There's still time!

## FOR TAX YEAR 2026 THE CONTRIBUTION DEADLINE FOR ROTH AND TRADITIONAL IS: Tax Day 2027

Know the limits!

### CONTRIBUTION LIMITS FOR TAX YEAR 2026:

Contribution limits apply to all your IRAs combined.

For 2026, the total maximum amount you can contribute to an IRA is \$7,500 and \$8,600 if you're age 50 or older.

\*With the passage of SECURE 2.0 Act, effective 1/1/2024 you may also be eligible to contribute to your Roth IRA using 592 rollover assets. Traditional IRAs do not qualify for this option. Consult with your tax advisor for guidance on your eligibility.

Bonus!

### USING YOUR IRA FOR A HOME PURCHASE:

#### TRADITIONAL IRA

If you qualify as a first-time homebuyer, you can withdraw up to \$10,000 from your traditional IRA and use the money to buy, build, or rebuild a home. Even though you'll avoid the 10% early withdrawal penalty on the money, you'll still owe income tax on any amount you withdraw.

#### ROTH IRA

If it's been at least five years since you made your first Roth IRA contribution you can pull out up to \$10,000 in investment earnings tax- and penalty-free to put toward your first home. The five-year clock starts Jan. 1 of the year you made your first Roth IRA contribution. If you're feeling generous, the IRS says you can also put this money toward the first-time home purchase of your child, grandchild or parents.

# Roth IRA vs. Traditional IRA



Trying to decide which retirement savings account has the best features for you? Here's an overview to help you choose between a Roth or Traditional IRA.

## TAX BENEFITS



### Roth IRA:

Tax-free growth | Tax-free qualified withdrawals

### Traditional IRA:

Tax-deferred growth | Contributions may be tax-deductible

## AGE ELIGIBILITY



### Roth IRA:

Any age with earned income

### Traditional IRA:

Any age with earned income

## INCOME LIMIT ELIGIBILITY



### Roth IRA:

2026 Single: \$153,000 to \$168,000

2026 Joint: \$242,000 to \$252,000

### Traditional IRA:

No income limits to make contributions, unless you are an active participant in an employer sponsored plan.

## TAXATION AT WITHDRAWAL



### Roth IRA:

Contributions: Never

Earnings: Tax-free after 5-year aging requirement plus other qualifications

### Traditional IRA:

Yes

## POTENTIAL PENALTIES AT WITHDRAWAL



### Roth IRA:

To avoid a potential 10% early withdrawal penalty:

- Withdrawals must be taken after age 59½.
- Withdrawals must be taken after a five-year holding period.
- There are exceptions to the early withdrawal penalty, such as a first-time home purchase, college expenses, and birth or adoption expenses.

### Traditional IRA:

The IRS requires individuals to begin taking money out of the account at age 73. Unqualified withdrawals before age 59½ may trigger a 10% early withdrawal penalty and income taxes.

## REQUIRED MINIMUM DISTRIBUTIONS (RMDs)



### Roth IRA:

Original owner: none

### Traditional IRA:

Beginning in the year you reach age 73, you will be required to take minimum distributions from your traditional IRA each year. If you reach age 73 in the current year, the required beginning date for your first RMD is April 1st of the following year.

Please consult your tax professional for more information.



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