



CARDINAL ADVISORS

Tax Free IRA/401k vs Tax Deferred IRA/401k

In the video entitled "Tax Free IRA/401k vs Tax Deferred IRA/401k" Hans and Tom discuss the difference between these two IRA's.

TAX FREE IRA/401K VS TAX DEFERRED IRA/401K

<input type="checkbox"/> S.S.	- RULE OF 72 - 6% INTEREST - $72/6\% = 12$ YEARS	<table border="1"> <tr> <td>AGE 50</td> <td>\$20,000</td> <td>\$20,000</td> <td>\$12,000</td> <td>\$8,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>(YOU)</td> <td>(TAX SAVINGS)</td> </tr> <tr> <td>AGE 62</td> <td>\$40,000</td> <td>\$40,000</td> <td></td> <td></td> </tr> <tr> <td>AGE 74</td> <td>\$80,000</td> <td>\$80,000</td> <td></td> <td></td> </tr> <tr> <td>AGE 86</td> <td>\$160,000</td> <td>\$160,000</td> <td></td> <td></td> </tr> </table>	AGE 50	\$20,000	\$20,000	\$12,000	\$8,000				(YOU)	(TAX SAVINGS)	AGE 62	\$40,000	\$40,000			AGE 74	\$80,000	\$80,000			AGE 86	\$160,000	\$160,000			<input type="checkbox"/> INCOME					
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<input type="checkbox"/> LTC					<input type="checkbox"/> TAXES																												
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The information and opinions contained herein are provided by third parties and have been obtained from sources believed to be reliable, however, we make no representation as to its completeness or accuracy. The information is not intended to be used as the sole basis for financial decisions, nor should it be construed as advice designed to meet the particular needs of an individual's situation. Content is provided for informational purposes only and is not a solicitation to buy or sell any products mentioned.

Information provided is not intended as tax or legal advice and should not be relied on as such. You are encouraged to seek tax or legal advice from an independent professional.

May 2024



Roth IRAs

A Roth IRA is an IRA that, except as explained below, is subject to the rules that apply to a [traditional IRA](#).

- You cannot deduct contributions to a Roth IRA.
- If you satisfy the requirements, [qualified distributions](#) are tax-free.
- You can make contributions to your Roth IRA after you reach age 70 ½.
- You can leave amounts in your Roth IRA as long as you live.
- The account or annuity must be designated as a Roth IRA when it is set up.

The same combined [contribution limit](#) applies to all of your Roth and traditional IRAs.

Limits on Roth IRA contributions based on modified AGI

Your Roth IRA contribution might be limited based on your filing status and income.

- [2023 - Amount of Roth IRA Contributions You Can Make for 2023](#)
- [2022 - Amount of Roth IRA Contributions You Can Make for 2022](#)

Additional resources

- Details about Roth IRAs are contained in [Publication 590-A, Contributions to Individual Retirement Arrangements \(IRAs\)](#) and [Publication 590-B, Distributions from Individual Retirement Arrangements \(IRAs\)](#) and include:
 - [Setting up your Roth IRA](#);
 - [Contributions to your Roth IRA](#); and
 - [Distributions \(withdrawals\) from your Roth IRA](#).
- [Differences Between Roth IRAs and Designated Roth Accounts](#)
- [Individual Retirement Arrangements \(IRAs\)](#)

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