

Roth IRA



- **A Roth IRA is a type of tax-advantaged retirement account, while an index fund is a type of investment that tracks a market index.** Index funds are popular choices for Roth IRAs and other investment accounts. A Roth IRA is a popular choice for investors because withdrawals are tax-free in retirement.
- Contributions are made with after-tax dollars and any growth in your account is tax-deferred (Contributions may be limited by your Modified Adjusted Gross Income).
- Contributions can be withdrawn tax- and penalty-free at any time and earnings may be withdrawn tax- and penalty-free after five years, under certain conditions.¹
- No required minimum distribution.²

Contribution limits

- 2022: \$6,000 total; \$7,000 if you're age 50 or older.
- 2023: \$6,500 total; \$7,500 if you're age 50 or older.
- Contribution limit applies to aggregate of Roth and Traditional IRA contributions.
- No age limit to open or contribute to a Roth IRA.
- You or your spouse must have earned income to contribute. Contributions may be reduced or you may be ineligible to make contributions depending on your Modified Adjusted Gross Income (MAGI) for the year. See [IRS contributions and deduction limits](#) or IRS Publication 590 for further details.
- Contributions are not tax deductible.

Roth IRA conversion

- If you have assets in a traditional IRA or employer-sponsored retirement plan and decide that a Roth IRA is a better fit, you can convert some or all those assets into a Roth IRA.
- Federal and possibly state income tax will be due the year of the conversion.
- A conversion is generally most advantageous if you expect your tax bracket to be higher in the future and if you can pay any taxes on the amount converted with assets from outside your IRA.
- Transfer/Direct Rollover/Conversion Request: 401K, 403b and Roth IRA conversion to Annuity IRA to give you LIFETIME INCOME. [Call Ven for more information.](#)

Distributions

- No required minimum distributions during the owner's lifetime; however, beneficiaries must take required minimum distributions similar to Traditional IRAs.
- Qualified distributions are free from federal income tax (see section on Qualified Distributions). In addition, contributions (principal) can be withdrawn tax- and penalty-free at any time.
- The earnings portion of non-qualified distributions are subject to federal income tax and if taken before age 59 ½ may also be subject to the 10% early withdrawal penalty unless an exception applies.

Always check with your own CPA / Tax Preparer