

Please read...it might save you lots of \$\$\$\$

Before you invest in a **Standard Account**, find out if you're eligible and if it makes sense to first contribute to an IRA (Traditional, Roth, or other).

One of the most effective ways to save for retirement, if you don't need the money for a while, is to establish or contribute to an IRA. The two most common types of IRAs are Traditional IRA and Roth IRA.

ROTH IRA

For a **Roth IRA**, anyone can contribute IF they meet the following criteria:

1. They have earned income (wages, salaries, tips, bonuses, commissions, & self-employment income) at least as large as the contribution in that year.
2. The contribution can be no more than \$6,000/year (\$7,000/year for those over 50 years old).
3. You cannot get the money out (except for extraordinary circumstances) for 5 years or 59 ½ years old (whichever comes first).
4. You are under the IRS income limits as shown <https://www.irs.gov/retirement-plans/plan-participant-employee/amount-of-roth-ira-contributions-that-you-can-make-for-2020>

The contribution for a **Roth IRA** is not tax deductible, but future distributions (withdrawals) can be made without paying taxes.

OR

TRADITIONAL IRA

You can contribute to a **Traditional IRA** IF you meet the following criteria:

1. You have earned income (wages, salaries, tips, bonuses, commissions, & self-employment income) in that year at least as large as the contribution.
2. The contribution can be no more than \$6,000/year (\$7,000/year for those over 50 years old).
3. You cannot take money out (except for extraordinary circumstances) until at least 59 ½ years old without substantial penalty.
4. Distributions (withdrawals) will be taxed as regular income.

The contribution is tax deductible, and will lower your taxable income by the same amount, IF:

For those not covered by a retirement plan at work, see IRS income limits <https://www.irs.gov/retirement-plans/plan-participant-employee/2020-ira-contribution-and-deduction-limits-effect-of-modified-agi-on-deductible-contributions-if-you-are-not-covered-by-a-retirement-plan-at-work>

For those covered by a retirement plan at work, see IRS income limits <https://www.irs.gov/retirement-plans/plan-participant-employee/2020-ira-contribution-and-deduction-limits-effect-of-modified-agi-on-deductible-contributions-if-you-are-covered-by-a-retirement-plan-at-work>

If you don't meet these last two criteria, you can still contribute, but the amount will not be tax deductible.

Self-employed individuals can contribute to a SEP IRA. Please see details at <https://www.irs.gov/forms-pubs/about-publication-560> .

These are such wonderful ways to save money while lowering taxes.

Fill out IRA APPLICATION if you want to open an account.

Hope this helps.