



The two main types of IRA's are Traditional and Roth:

Traditional IRA's

These IRA's generally allow a tax deduction for any contributions. There are no income limitations unless you or your spouse are eligible for a retirement plan. You can take out money starting at age 59 1/2 without penalty and distributions are taxable at your tax bracket, which can be lower in retirement. Also, you are required to take out money at age 70 1/2 (or the year after, which is not usually recommended).

Roth IRA's

These IRA's enable you to deposit after-tax money (versus tax deductible money into a traditional IRA). Under current tax rules, you are not required to take distributions. After five years and upon reaching age 59 1/2, you can take out money with no tax consequences. Couples who made \$194,000 or less (modified adjusted gross income) or singles who made \$132,000 or less may be eligible to put up to \$6,500 into a Roth for 2016.