

IRA Quiz Answers

How well did you do answering True or False to our IRA quiz questions? Check out the answers below to find out.

1. You are unable to contribute to an IRA if you have reached the maximum contribution limit in your 401(k). **False:** Maximum contributions to a 401(k) are entirely separate from maximum contributions to an IRA.

2. You can contribute to both a Roth IRA and a Traditional IRA in the same year. **True:** You can contribute to both a Roth IRA and a Traditional IRA in the same year.

3. A married couple filing jointly can combine their IRA funds into a jointly funded spousal IRA. **False:** There are no jointly funded spousal IRAs. (However, there is a spousal IRA.) A married couple's IRA funds cannot be combined in the same account.

4. You can start taking funds from your IRA at age 62, the same age you can begin to collect Social Security. **False:** You can withdraw Traditional and Roth IRA funds at age 59 ½ or earlier with some exceptions.

5. The annual deadline to contribute to an IRA is December 31. **False:** You can contribute to an IRA for a given calendar year up until the tax deadline of the following year.

6. A Traditional IRA will give you tax benefits now while a Roth IRA will provide you with tax benefits in retirement. **True:** Traditional IRA contributions are before-tax dollars, meaning that they are tax-deductible contributions that you must pay taxes on upon withdrawal. Roth contributions are after-tax dollars, meaning that you pay taxes now but can withdraw earnings tax-free at retirement.

