

## Roth IRAs — Not Just for Retirement

The Roth IRA offers tax advantages that are hard to beat. Although account contributions aren't deductible, account earnings accumulate tax deferred and may be withdrawn *tax free* when certain conditions are met.

### Saving with a Roth IRA

The Roth IRA is a great way to save for your retirement. But you also may want to start a Roth IRA for college savings, to help pay for a first home, or for other financial goals. Here's why.

**Your money isn't locked up** — you can withdraw your *contributions* at any time, without taxes or penalties. Hopefully, you'll be able to leave the money in your account for a long time. But if you can't, you can always get back the amount you put in without worrying about tax consequences.

**You can tap *earnings* tax free** and without penalty after five years if you are at least age 59½. And, at any age, you can withdraw tax-free earnings from your account after five years if you become disabled or use the money to pay up to \$10,000 of first-time homebuying expenses for yourself or a family member.

**You never have to touch the money** in your account. It can continue to grow tax deferred if you don't need the income, and your heirs will benefit by receiving money they don't have to pay income taxes on. (Minimum distribution rules would apply.) Most other retirement accounts require you to start withdrawing money at age 70½.

### Other Details

To contribute to a Roth IRA, you must earn compensation. For 2014, your adjusted gross income must be less than \$129,000 if you're single, \$191,000 if married and filing jointly. Individuals can contribute up to \$5,500 per year, married couples up to \$11,000. If you're age 50 or older, there's a special "catch-up" rule that allows you to contribute up to \$1,000 a year above the regular limits.

You may convert a traditional IRA or other qualified plan to a Roth IRA regardless of year, income level or tax filing status. Roth IRA conversions have income-tax consequences.