

## The Truth About IRAs

Do you know the truth about individual retirement accounts (IRAs), or are you confused by myths and misconceptions? Test your knowledge with the following quiz to see how much you really know about IRAs.

### The IRA Challenge

Are the following statements true or false?

1. Contributions to IRAs for the year must be made by December 31.

True or False

2. A stay-at-home spouse is eligible for his or her own IRA.

True or False

3. A person who participates in a retirement plan at work can't contribute to an IRA if income ceilings are exceeded.

True or False

4. A minor may not have an IRA.

True or False

5. After age 70½, a person must take annual required minimum distributions (RMDs) from his or her traditional IRA.

True or False

### Nothing but the Truth

Now find out how much of an expert you are by reading the answers and explanations below.

1. **False.** Contributions may be made as late as the unextended tax return filing deadline (usually April 15) for the year.
2. **True.** If the couple files a joint tax return, the stay-at-home spouse can contribute to an IRA based on the working spouse's compensation. And, if tax law requirements are met, the contribution may be fully deductible.
3. **False.** A nondeductible contribution always can be made to a traditional IRA.
4. **False.** As long as a person receives taxable compensation, he or she can contribute to an IRA.
5. **True.** However, if a person has more than one traditional IRA, the RMD for each IRA can be figured, and that total may be taken from any one or more of the IRAs.