



# Roth vs. Traditional IRA

IRAs are one of the best saving tools available. We offer both Roth and Traditional IRA options to help you save.

	ROTH	TRADITIONAL
<b>Can I contribute?</b>	You are eligible to contribute if you earn compensation (or file a joint tax return with a spouse who earns compensation) and your modified adjusted gross income (MAGI) is less than or within the defined limits. See the MAGI chart on page 2.	You are eligible to contribute if you are earning compensation (or file a joint return with a spouse who earns compensation).
<b>Can I take an income tax deduction for my contribution?</b>	No. Roth IRA contributions are not tax-deductible.	Whether your Traditional IRA contribution is deductible on your federal income tax return depends on your marital and tax-filing status, your MAGI, and whether you or your spouse actively participate in an employer-sponsored retirement plan. If neither you nor your spouse, if married, are an active participant, you are eligible to deduct your full contribution. Otherwise, see the MAGI chart below.
<b>How much can I contribute each year?</b>  *Contribution limits are subject to annual COLAs	Depending on your MAGI, you may be able to contribute up to \$7,000 for 2025 and \$7,500 for 2026, or if you are age 50 or older, up to \$8,000 for 2025 and \$8,600 for 2026.  *Contributions cannot exceed compensation.	You can contribute up to \$7,000 for 2025 and \$7,500 for 2026, or if you are age 50 or older, up to \$8,000 for 2025 and \$8,600 for 2026.  *Contributions cannot exceed your annual compensation.
<b>What are the benefits?</b>	Because all Roth IRA contributions must be included in your taxable income, and therefore are not tax-deductible, you can withdraw your contributions at any time, tax and penalty-free. Any earnings generated within the IRA are tax-deferred (you do not pay tax on the earnings until you withdraw them).  A Roth IRA qualified distribution occurs when money is withdrawn from your Roth IRA after you have owned a Roth IRA for at least five years, and you are age 59 1/2 or older, disabled, a first-time homebuyer, or are deceased.  If you satisfy the qualified distribution requirements, you can withdraw the earnings tax-free, which is the ultimate advantage of having a Roth IRA. You are never required to take money out of your Roth IRA, regardless of your age.	Any earnings generated within the IRA are tax-deferred (you do not pay tax on the earnings until you withdraw them).  If your traditional IRA contributions are tax-deductible and therefore tax-deferred, you do not pay taxes on them until you withdraw the money.  Any after-tax amounts (non-deductible contributions) within your IRA can be withdrawn tax and penalty-free.
<b>Will I ever be required to withdraw the money?</b>	No. Roth IRA owners are never required to take distributions. After your death, however, your beneficiaries may be subject to required distributions.	Yes. Traditional IRA owners are required to take annual minimum distributions beginning for the year they turn age 73. Your beneficiaries also will be subject to required distributions.

Want to learn more or have questions? We're here to help!

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## What are the MAGI Limits?

Modified Adjusted Gross Income (MAGI) is your adjusted gross income before certain deductions or adjustments to income are made. MAGI limits are subject to annual cost-of-living adjustments (COLAs).

ROTH IRA				
Tax-filing Status		Full Contribution	Partial Contribution	No Contribution Allowed
Single/Head of Household	2025	\$150,000 or less	\$150,000 - \$165,000	\$165,000 or more
	2026	\$153,000 or less	\$153,000 - \$168,000	\$168,000 or more
Married, filing jointly	2025	\$236,000 or less	\$236,000 - 246,000	\$246,000 or more
	2026	\$242,000 or less	\$242,000 - 252,000	\$252,000 or more

Depending on your MAGI, you may be able to contribute up to \$7,000 for 2025 and \$7,500 for 2026, or if you are age 50 or older, up to \$8,000 for 2025 and \$8,600 for 2026.

TRADITIONAL IRA					
Tax-filing Status		Active Participant*	Full Deduction	Partial Deduction	No Deduction Allowed
Single/Head of Household	2025	Yes	\$79,000 or less	\$79,000 - \$89,000	\$89,000 or more
	2026		\$81,000 or less	\$81,000 - \$91,000	\$91,000 or more
Married, filing jointly	2025	Yes	\$126,000 or less	\$126,000 - \$146,000	\$146,000 or more
	2026		\$129,000 or less	\$129,000 - \$149,000	\$149,000 or more
Married, filing jointly	2025	No	\$236,000 or less	\$236,000 - \$246,000	\$246,000 or more
	2026		\$242,000 or less	\$242,000 - \$252,000	\$252,000 or more

You can contribute up to \$7,000 for 2025 and \$7,500 for 2026, or if you are age 50 or older, up to \$8,000 for 2025 and \$8,600 for 2026.

\*If your employer contributed to a retirement plan (i.e. 401(k) or pension) during the year, you may be an active participant. Check Box 13 on your W-2 to confirm.



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