



## Key Differences Between Roth 401(k) Plans and Roth IRA's

### Is a Roth 401k right for you?

	Traditional 401(k)	Roth 401(k)	Roth IRA
<b>Income Eligibility</b>	No income limits	No income limits	In general, modified adjusted gross income of \$105,000 for single individuals and \$166,000 for married couples in 2009
<b>Contributions</b>	Pre-tax	After-tax	After-tax
<b>Deferral Limits</b>	\$16,500 in 2011 for Traditional and Roth 401(k) combined (\$22,000 if age 50+)	\$16,500 in 2011 for Traditional and Roth 401(k) combined (\$22,000 if age 50+)	\$5,000 in 2011 (\$6,000 if age 50+)
<b>Investment Earnings</b>	Tax-deferred	Tax-free if a qualified distribution	Tax-free if a qualified distribution
<b>Withdrawals</b>	Taxable (Distributions [and certain deemed distributions] are subject to ordinary income tax and, if taken prior to age 59 1/2, may also be subject to a 10% penalty)	Tax-free if a qualified distribution	Tax-free if a qualified distribution
<b>Qualified Distribution Requirements</b>	No qualified distribution requirements	Account holder for at least 5 tax years following the first Roth 401(k) contribution, and either death, disability, or attainment of age 59 1/2	Account holder for at least 5 tax years, and either death, disability, or attainment of age 59 1/2
<b>Minimum Distribution Requirements</b>	Age 70 1/2	Age 70 1/2	None
<b>Rollovers</b>	Another eligible retirement plan or IRA*	Roth 401(k) to Roth IRA or other 401(k) with Roth feature*	Roth IRA to Roth IRA
<b>Vesting</b>	100% immediate	100% immediate	Not applicable

\* Must be an "eligible rollover distribution" made due to a distributable event (e.g. termination of employment) under the terms of the 401(k) plan.