

## What are the differences between a Roth IRA and a Traditional IRA?

	Traditional IRA	Roth IRA
<b>Withdrawals—when are they IRS penalty free?</b>	Withdrawals prior to age 59½ have a 10% penalty. The 10% penalty does not apply to distributions made to a beneficiary upon death of the owner; attributable to a disability; medical expenses that exceed 7.5% of an individual's AGI; payment for health insurance for unemployed individuals upon certain conditions; made to pay for qualified higher education expenses for the taxpayer, taxpayer's spouse, child or grandchild; qualified first-time home buyers; made in a series of substantially equal periodic payments for the life or life expectancy of the owner or of the owner and his beneficiary.	Same as traditional IRA
<b>Required minimum distributions (RMDs)</b>	At age 70½	No required distributions during the owner's lifetime. Distributions are required after the owner's death.
<b>Maximum Deduction Qualifications</b>	To qualify for the maximum tax deduction, your adjusted gross income (AGI) for 2015 must be: <ul style="list-style-type: none"> <li>• Single and head-of-household taxpayers – less than \$61,000</li> <li>• Married taxpayers filing jointly (both filers have a plan) – less than \$98,000</li> <li>• Married taxpayers filing jointly with non-active participant (one filer has a plan) – less than \$183,000.</li> </ul>	To qualify for the maximum deduction, your adjusted gross income (AGI) for 2015 must be: <ul style="list-style-type: none"> <li>• Single and head-of-household taxpayers – less than \$114,000</li> <li>• Married taxpayers filing jointly – less than \$181,000</li> <li>• Married taxpayers filing separately should check with their tax adviser.</li> </ul>
<b>Individual/employee contribution limits</b>	2015 \$5,500 (or 100% of compensation, if less)	2015 \$5,500 (or 100% of compensation, if less)
<b>Age 50+ catch-up contribution</b>	2015 \$1,000	2015 \$1,000
<b>Age limit on contributions</b>	Contributions must cease at age 70½.	None
<b>Individual or employer sponsored</b>	Individual	Individual
<b>Are individual or employee contributions tax-deductible?</b>	Yes, if the individual or his spouse are not active participants in a qualified plan. If the individual or his spouse are active participants in a qualified plan, the deduction may be reduced or eliminated. Individuals should check with their tax advisor.	No
<b>How are withdrawals taxed?</b>	If tax-deductible IRA, contributions and earnings are taxes as ordinary income when withdrawn. If a non-deductible IRA, earnings are taxed as ordinary income.	Earnings on the Roth IRA are tax free if the policy has been open 5 years and the owner: <ul style="list-style-type: none"> <li>• Attains age 59½,</li> <li>• Disability,</li> <li>• Qualified first-time home buyer,</li> <li>• Death</li> </ul>

### Life Insurance Company of the Southwest<sup>®</sup>

Neither National Life Group or its representatives provide legal or tax advice. National Life Group<sup>®</sup> is a trade name of National Life Insurance Company, Montpelier, VT, Life Insurance Company of the Southwest, Addison, TX and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York.

Home Office: 15455 Dallas Pkwy., Ste. 800, Addison, TX 75001 | Telephone: 800-579-2878 | [www.NationalLife.com](http://www.NationalLife.com)  
Centralized Mailing Address: One National Life Drive, Montpelier, VT 05604-5555