



## Individual Retirement Account (IRA) - FAQs

### Q. What is an Individual Retirement Account (IRA)?

A. An Individual Retirement Account (IRA) is designed to help you save money for retirement.

### Q. What are the benefits of an IRA?

A. Opening a Golden 1 IRA may provide tax advantages\* while you accumulate money you'll need in retirement.

### Q. Who can open an IRA?

A. A Traditional IRA can be opened by anyone with earned income who is under 70½. (Please note that you cannot contribute to an IRA during the year in which you turn 70½.) A Roth IRA can be opened by anyone with earned income, regardless of age, if they meet certain income requirements.

### Q. How much can I contribute to an IRA?

#### A. Roth and Traditional IRA Limits

Calendar Year	Maximum Contribution Limit	Maximum Catch-up Contribution Limit (50 years of age or older)
2018	\$5,500	\$1,000
2019	\$6,000	\$1,000

### Q. Can I invest in both a Traditional and Roth IRA?

A. Yes, as long as the total amount of your contributions does not exceed the maximum annual contribution (outlined above).

### Q. Is my spouse eligible to contribute to an IRA?

A. If you file a joint return and have taxable compensation, you and your spouse can both contribute to your own separate IRAs. A non-working spouse is eligible to contribute to either a Traditional or Roth IRA with a maximum contribution of \$5,500 (2018) or \$6,000 (2019), plus the catch-up amount if 50 years of age or older.

### Q. Can a minor contribute to an IRA?

A. Yes, as long as the minor has earned income. It can be opened as a Traditional or Roth IRA and the maximum contribution is \$5,500 (2018) or \$6,000 (2019), or 100% of earned income, whichever is less. To establish an IRA for a minor, the account must be opened and held by an adult, as guardian, in the name of the minor. While the adult is the individual authorized to perform transactions on the account, the minor is considered the registered owner for tax purposes.

### Q. What is the deadline for my IRA contributions?

A. The final deadline for making prior year IRA contributions is typically April 15.

**Q. When can I take funds out of my IRA?**

**A.** You may withdraw from a Traditional IRA at any time. However, you may be subject to government and financial institution withdrawal penalties. Withdrawals may also be subject to income tax. You must take a Required Minimum Distribution (RMD) from your Traditional IRA each year, starting for the year in which you turn age 70<sup>1/2</sup>. You may withdraw your contributions from your Roth IRA at any time with no government penalty. [Please see IRS Publication 590 for details.](#)

**Q. If I take a distribution from my IRA, can I replace it without being penalized?**

**A.** Once a distribution is taken from an IRA, you have 60 days from the distribution date to replace those funds and avoid any associated IRS penalties or taxes. This type of distribution can be done only once every 365 days.

**Q. Can I convert my existing Traditional IRA to a Roth IRA?**

**A.** Yes. All conversion contributions to a Roth may be taxable when converted and also become the basis in the account. (Refer to a tax advisor if you ever made non-deductible contributions to a Traditional IRA.)

**Q. What is the difference between a rollover and a transfer of assets?**

**A.** A rollover is when you move funds from one eligible retirement plan to another, such as from a 401(k) to an IRA. Rollover distributions are reported to the IRS and may be subject to federal income tax. A transfer of assets is when you move funds between two accounts of the same type, such as from one Traditional IRA to another Traditional IRA. Transfers can take place as often as you like. They are not reported to the IRS because you never take possession of your money.

**Q. I understand that if I am 50 years old or older, I'm able to make a catch-up contribution. Is that in addition to the annual contribution limit?**

**A.** Yes, it's in addition to the annual contribution limit. For example, an IRA owner who is 51 years old may be able to contribute the full \$5,500 (2018) or \$6,000 (2019) to a Roth IRA or Traditional IRA as well as the \$1,000 catch-up contribution for a total of \$6,500 (2018) or \$7,000 (2019).

**Q. When will my IRA Tax form be mailed to me?**

**A.** For IRA distributions, a 1099-R tax form will be mailed no later than 01/31.  
For Coverdell Distributions, a 1099-Q tax form will be mailed no later than 01/31. For IRA Contributions, a 5498 Tax form will be mailed no later than 05/31.  
For Coverdell Contributions, a 5498-ESA tax form will be mailed no later than 04/30.

**Q: What is a myRA retirement program?**

**A:** myRA ("my retirement account") is a type of Roth IRA account sponsored by the United States Treasury and administered by Comerica.

**Q: Is the government retirement program, myRA, available to me through Golden 1?**

**A:** The myRA retirement program is currently only offered through the United States Treasury and only administered through Comerica. Golden 1 does not offer the myRA, but we do have similar retirement options, such as a Roth IRA.

\*You are advised to seek advice from your own tax professional and attorney.