

## Roth IRA vs. Designated Roth Account - 2012

	<b>Roth IRA</b>	<b>Designated Roth Account</b>
<b>Number of investment choices</b>	Many as long as not prohibited	As offered by the plan
<b>Participation</b>	Anyone with earned income	Participant in a 401K, 403B or 457 governmental plan that allows designated Roth contributions
<b>Contribution Limits</b>	\$5,000.00 \$6,000.00 if age 50 or over	\$16,500 \$22,000.00 if age 50 or over
<b>Recharacterization of rolled over amounts</b>	Allowed	Not Allowed
<b>Required Minimum Distributions</b>	Only after the original IRA owners death.	Yes
<b>Tax on nonqualified distributions</b>	Nonqualified distributions are distributed in this order: 1. Non Taxable contributions 2. Taxable earnings	Nonqualified distributions are pro-rated between Roth Contributions (non-taxable) and earnings (taxable)
<b>Withdrawals</b>	Anytime. Maybe subject to tax if not a qualified distribution.	Only when allowed by the terms of the plan. Subject to tax if not a qualified distribution.
<b>Loans</b>	No	Yes, if plan allows
<b>5 year holding period for qualified distributions</b>	begins January 1 of the year a contribution is made to any Roth IRA	Separate for each Roth Account and begins on January 1 of the year contributions made to that account. If one Roth Account is rolled into another the earlier start date applies.
<b>Beneficiary</b>	Anyone	Anyone but, if married the spouse must consent to nonspouse beneficiary.

This chart courtesy of [www.HowCanIRetire.net](http://www.HowCanIRetire.net) - 2012