

Roth IRA vs. Roth 401(k)

Primary Differences

	Roth IRA	Roth 401(k)
Type of Contribution	After tax	After tax
Amount of Contributions	For 2019 Under age 50: \$6,000 Age 50 and above: \$7,000	For 2019 Under age 50: \$19,000 Age 50 and above: \$25,000
Income Limit on Contributions	Max allowed up to phase-out ranges Adjusted Gross Income Phase-Out Ranges: Single/Head of Household: \$122,000 - \$137,000 Married Filing Jointly: \$193,000 - \$203,000	None
Required Minimum Distributions	None for owner or spousal beneficiary (other beneficiaries are subject to RMDs)	Subject to the plan's RMD rules if not able to roll assets out to Roth IRA before age 70.5
Employer Matching	None	Possible; matching contributions must be made to Traditional tax deferred account
Investment Options	Chosen by account owner	May be limited by the plan to predetermined options
Early Withdrawal Regulations (before age 59 1/2)	10% penalty on earnings; except: <ul style="list-style-type: none"> • First-time home purchase (up to \$10,000) • Qualified education expenses • Qualified medical expenses or health ins. • Disability or death 	Subject to the plan's individual hardship rules



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