



# TOP TEN DIFFERENCES BETWEEN A ROTH IRA AND A DESIGNATED ROTH ACCOUNT

	<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 401(k), 403(b) or 457 governmental plan that allows designated Roth contributions
<b>Contribution limits</b>	\$5,500 (for 2014*) \$6,500 (if age 50 or older)	\$17,500 (in 2014*) \$23,000* (if age 50 or older)
<b>Recharacterization of rolled-over amounts</b>	Allowed	Not allowed
<b>Required minimum distributions</b>	Only after the original IRA owner's death	Yes
<b>Tax on nonqualified distributions</b>	Nonqualified distributions are distributed in this order: 1. Nontaxable contributions 2. Taxable earnings	Nonqualified distributions are pro-rated between Roth contributions (nontaxable) and earnings (taxable)
<b>Withdrawals</b>	Anytime. May be 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, spouse must consent to nonspouse beneficiary

\*See "Cost-of-Living Adjustments" at [www.irs.gov/retirement](http://www.irs.gov/retirement) for other years' limits.