

# IRA ACCOUNT COMPARISON

Unlock your full investing potential with a self-directed IRA. Using this powerful financial tool, you can access investments beyond publicly traded stocks and bonds, achieve higher returns, and maximize the power of your retirement savings.

Diversify your retirement portfolio, direct your own investments, and explore tax-free or tax-deferred income from alternative investments like Real Estate, Natural Resources, Digital Currency, Precious Metals, and more.

To learn more about the power of self-directed IRAs, or to speak with an IRA expert on the right account type for you, call or email us at 888-990-7892 or ClientService@ptcemail.com

	<b>Traditional IRA</b>	<b>Roth IRA</b>	<b>SEP IRA</b>	<b>SIMPLE IRA</b>
Participants	Individual	Individual	Small Business	Small Business up to 100 employees
Annual Contribution	Individual- \$6,500	Individual- \$6,500	Employer- lesser of 25% of compensation or \$66,000 <sup>1</sup>	Employer- Defined by Plan <sup>2</sup> Employee- \$15,500
Catch-up Contribution (Age 50 or older)	Individual- \$1,000	Individual- \$1,000	No	Employee- \$3,500
Account Type	Tax-Deferred	Tax-Free	Tax-Deferred	Tax-Deferred
IRA-to-IRA Transfers	Traditional, SEP, SIMPLE <sup>3</sup>	Roth <sup>3</sup>	Traditional, SEP, SIMPLE <sup>3</sup>	Traditional, SEP, SIMPLE <sup>3</sup>
401k or 403b Rollovers	Yes	Yes <sup>4</sup>	Yes	Yes
Conversion to Tax-Free/Roth Account	Yes <sup>4</sup>	N/A	Yes <sup>4</sup>	Yes <sup>4</sup>
Age Requirement Contributions	No	No	Defined by Plan	No
Early-Withdrawal Penalty	10% (Under age 59 ½ unless an exception applies)	10% (Under age 59 ½ unless an exception applies)	10% (Under age 59 ½ unless an exception applies)	10% (Under age 59 ½ unless an exception applies) <sup>5</sup>
Modified Adjusted Gross Income (to make and/or receive contributions)	No	Yes	No	No
Required Minimum Distributions (RMDs)	Yes (Starting age 73) <sup>6</sup>	No	Yes (Starting age 73) <sup>6</sup>	Yes (Starting age 73) <sup>6</sup>

1- Contributions cannot exceed the lesser of 25% of the employee's compensation or \$66,000.

2- Employer must match deferrals dollar-for-dollar up to 3% of compensation, make a 2% nonelective contribution to all eligible employees (up to the compensation cap under IRC Sec. 401(a)(17) or make a reduced match on at least 1% of compensation (only allowed for 2 years of any 5-year period.)

3- IRA-to-IRA transfers to like kind accounts are not subject to tax consequences and is another way for clients to fund their IRA account at Preferred Trust Company. There is no limit to the amount or number of transfers per year.

4- Converting an originally Tax-Deferred account type to a Tax-Free account will be subject to tax consequences. It is recommended that you consult with a tax professional to determine those consequences as they are subject to your personal financial situation.

5- A SIMPLE IRA owner may face a 25% penalty if a withdrawal occurs before the two-year period has been satisfied (unless an exception applies.)

6- The SECURE Act 2.0 of 2022 changed the age when RMDs must begin from age 72 to age 73. This was effective for distributions required in 2023.

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