SAVING & INVESTING

ROTH IRAS



PAVING THE WAY TOWARD A TAX-FREE RETIREMENT

While there are numerous ways to save for retirement, saving through a Roth IRA—for many people—is one of the best ways to save. With a Roth IRA, you're in complete control. You choose when to save and how much to save.

What's more, you enjoy the peace of mind that comes from knowing that you're building a nest egg that has the potential to provide you with a source of tax-free income in retirement.

The Roth Individual Retirement Arrangement (IRA) is an extremely popular savings vehicle. But why are Roth IRAs so popular? The Roth IRA offers the benefit of tax-sheltered growth coupled with the unique opportunity for tax-free withdrawals in retirement. When trying to determine whether a Roth IRA is potentially right for you, it's crucial to understand both the eligibility requirements for funding a Roth IRA as well as the unique tax benefits afforded by the Roth IRA.

- TAX BENEFITS
- FUNDING ELIGIBILITY

©2026 Superior IRA & HSA, LLC.

TAX BENEFITS

Roth IRAs provide two basic tax benefits: tax-sheltered growth (while your funds are accumulating within the Roth IRA) and the potential for tax-free withdrawal.

TAX BENEFIT #1: TAX-SHELTERED GROWTH

With conventional savings options that are not tax-advantaged, earnings are typically taxed as your savings grow. Earnings within a Roth IRA, however, are allowed to grow on a tax-sheltered basis. Thanks to the advantages of tax-sheltered growth, your Roth IRA savings can grow more rapidly than they would in a taxable account.

TAX BENEFIT #2: TAX-FREE WITHDRAWALS

You may withdraw the contributions you make to your Roth IRA—tax free— at any time. In addition, the earnings/growth accumulated within your Roth IRA are also eligible for tax-free withdrawal provided you've had Roth IRA savings for at least five years and are at least age 59½ (or disabled) at the time of withdrawal.*

**Earnings/growth may also qualify for tax-free withdrawal in the case of death or when used for a qualified first-time home purchase.*

FUNDING ELIGIBILITY

You must meet two basic requirements to be eligible to fund a Roth IRA.

REQUIREMENT #1: EARNED INCOME

As a general rule, you must have earned income from working to be eligible to fund a Roth IRA. If you are married and file a joint tax return with your spouse, you may still be eligible to fund a Roth IRA, even if you don't personally have earned income, provided your spouse has earned income from working.

REQUIREMENT #2: INCOME WITHIN PERMISSIBLE RANGE

If you have earned income, you are typically eligible to fund a Roth IRA (regardless of age) provided your modified adjusted gross income for the year does not exceed the applicable eligibility threshold. The income threshold varies based on your tax-filing status. The chart below summarizes the Roth IRA eligibility thresholds for 2025 and 2026.

Filing Status	Tax Year	Eligibility based on Modified Adjusted Gross Income		
		Full Contribution	Partial Contribution	Ineligible
Single	2026	$153,000 or Less	$153,000 - $168,000	$168,000 or More
	2025	$150,000 or Less	$150,000 - $165,000	$165,000 or More
Married Filing Joint	2026	$242,000 or Less	$242,000 - $252,000	$252,000 or More
	2025	$236,000 or Less	$236,000 - $246,000	$246,000 or More
Married Filing Separate	2026	Not Applicable	$0 - $10,000	$10,000 or More
	2025	Not Applicable	$0 - $10,000	$10,000 or More

The maximum annual contribution an individual can make for 2025 is $7,000 (for those under age 50) and $8,000 (for those age 50 or older); for 2026 is $7,500 (for those under age 50) and $8,600 (for those age 50 or older).