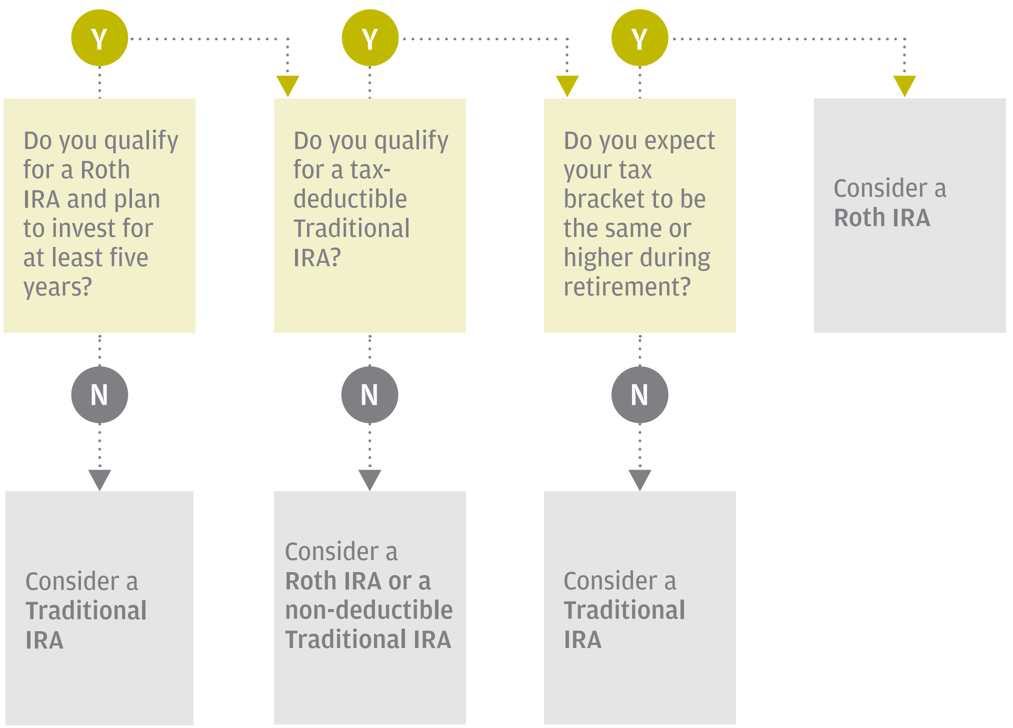
Traditional and Roth IRAs: Which account meets my needs?

	Traditional IRA	Roth IRA	Rollover IRA
Who can participate	Anyone under 70½, provided they or a spouse have earned income	Anyone of any age, provided they or a spouse have earned income	Generally anyone leaving a job with money in the company retirement plan. If you are leaving an employer plan, such as a 401(k), consult with an Advisor and evaluate the benefits, trade-offs and costs of all your available options, which may include staying in your current plan, moving your account to a new employer plan or rolling it into an IRA.
Annual income limits (2014/15)	None, but may affect tax deductibility (see Tax-deductible contributions below)	• **2014:** $114,000-$129,000 for singles, $181,000-$191,000 for joint tax filers • **2015:** $116,000-$131,000 for singles, $183,000-$193,000 for joint tax filers	• None for initial rollover • Same limits as Traditional or Roth IRA for additional contributions after rollover
Main benefit	Money grows on a tax-deferred basis	Qualified withdrawals are tax free	Keep entire company retirement account growing on a tax-advantaged basis
How it works	Open an account and make contributions	Open an account and make contributions	Instruct former employer to directly transfer plan assets to IRA
Annual contribution limit (2014/15)	The lesser of earned income or: • **2014:** $5,500 (under age 50), $6,500 (age 50-70½) • **2015:** $5,500 (under age 50), $6,500 (age 50-70½)	The lesser of earned income or: • **2014:** $5,500 (under age 50), $6,500 (age 50+) • **2015:** $5,500 (under age 50), $6,500 (age 50+)	• No dollar limit on initial rollover • Additional contributions subject to same limits as Traditional or Roth IRA
Tax-deductible contributions	Yes, if you meet certain income requirements:[1] • **2014:** Up to $60,000 for full deduction and $70,000 for partial for singles, up to $96,000 for full deduction and $116,000 for partial for joint tax filers • **2015:** Up to $61,000 for full deduction and $71,000 for partial for singles, up to $98,000 for full deduction and $118,000 for partial for joint tax filers	No, contributions are non-deductible	• *Traditional IRA:* Yes, if you meet certain requirements • *Roth IRA:* No
How investments are taxed	Investments grow tax deferred until withdrawn	Investment growth and withdrawals are tax free if certain conditions are met	• *Rollovers:* No taxes or penalties if Traditional IRA; Roth IRA rollovers subject to taxes • *Investments:* Same rules as Traditional or Roth IRA
Withdrawals[2]	• Deductible contributions and earnings are taxed as ordinary income • Early withdrawals before age 59½ are subject to an additional 10% federal penalty unless certain IRS exceptions apply	• Federal tax-free withdrawals after five years and age 59½ • Early withdrawals are subject to taxes and 10% federal penalty unless certain IRS exceptions apply • Contributions can be withdrawn at any time without taxes or penalty	Same rules as Traditional or Roth IRA
Required withdrawals	Must start at 70½ or upon account owner's death for non-spouse beneficiaries	• None during account owner's lifetime • Non-spouse beneficiaries must begin withdrawals upon owner's death	Same rules as Traditional or Roth IRA
Investors who should consider	Qualify for tax-deductible contributions or expect to be in a lower tax bracket in retirement	Meet income requirements and expect to be in a higher tax bracket in retirement	Are retiring or leaving a job and participated in a company retirement plan

Source: J.P. Morgan Asset Management, based on information from the Internal Revenue Service.
1. Assumes participation in an employer's retirement plan. No income limits apply when investors and spouses are not covered by a retirement plan at work.
2. Early withdrawals prior to 59½ are generally subject to a 10% federal penalty.



WHAT'S NEXT?

- ❒ Open your IRA
- ❒ Contribute up to the annual limit: $5,500 ($6,500 if 50 or older) for 2014/15
- ❒ Choose your investments

ARE YOU MARRIED?

Open two separate IRAs if you file taxes jointly and earn at least as much as the combined IRA contributions.

DO YOU HAVE OTHER IRAs OR ACCOUNTS WITH FORMER EMPLOYERS?

Combine them all in one place to make investing easier.

J.P.Morgan
Asset Management

SIMPLE IRA, SEP IRA and Solo K:

Easy, affordable retirement plans for small businesses. Which plan meets my needs?

	SIMPLE IRA	SEP IRA	Solo K
Typical plan sponsors	Small businesses with 100 or fewer employees and no other retirement plan	Self-employed, sole proprietors, partnerships and small businesses of any size	Business owner alone with no employees other than spouse
Key benefits	Easier to set up and administer than a 401(k)	• Easy to set up and administer • Flexibility to contribute or not • For higher income individuals, may allow larger contributions than SIMPLE IRA	• Allows contributions as both an employer and employee • Roth option for employee contribution portion • Limited loans available • Allows relatively large contributions
How it is funded	Elective employee salary deferrals and mandatory employer contributions	Discretionary employer contributions	Discretionary contributions
Tax advantages	• Employer contributions tax deductible as business expense • Tax-deferred growth potential • Pre-tax contributions for participating employees	• Contributions tax deductible as business expense • Tax-deferred growth potential	• Employer contributions tax deductible as business expense • Employee contributions may be pre-tax or post-tax (Roth option) • Tax-deferred growth potential (partially tax-free with Roth option)
Employee contribution limits (2014/15 plan years)	Up to 100% of compensation to a maximum of: • **2014:** $12,000 ($14,500 if age 50 or older) • **2015:** $12,500 ($15,500 if age 50 or older)	Not allowed	• **2014:** $17,500 ($23,000 if age 50 or older) • **2015:** $18,000 ($24,000 if age 50 or older) *Note: Total contribution of employee and employer cannot exceed maximum employer contribution amount*
Employer contribution limits (2014/15 plan years)	• Match participant deferrals up to 3% of compensation; or • Contribute 2% of compensation to all eligible employees, up to $5,200 for 2014 and $5,300 for 2015	0 to 25%* of compensation to a maximum of: • **2014:** $52,000 per employee • **2015:** $53,000 per employee *0–20% of net earnings for sole proprietors	0 to 25%* of compensation to a maximum of: • **2014:** $52,000 per person ($57,500 if age 50 or older) • **2015:** $53,000 per person ($59,000 if age 50 or older) *0–20% if a sole proprietorship or single member LLC
Flexibility to change employer contributions	Yes, may reduce matching contributions to as low as 1% in two of every five years[1]	Yes, but each eligible employee must generally receive same percentage of compensation	Yes, may contribute as little as 0%
Vesting of contributions	Immediate	Immediate	Immediate
Annual tax filings	None	None	No, unless account assets exceed $250,000
Employee eligibility requirements[2]	Can exclude certain non-resident aliens and employees who: • Are expected to earn less than $5,000 in the current year and any two previous years • Are covered under a collective bargaining agreement	Can exclude certain non-resident aliens and employees who: • Are under age 21 • Earn less than $550 annually • Haven't worked for you in three of the past five years • Are covered under a collective bargaining agreement	Can only include business owner and spouse: • Typically at least age 21
Withdrawals	• Subject to federal income taxes; must start at age 70½ • Early withdrawals before age 59½ may incur 25% penalty in first two years of plan participation and 10% thereafter	• Subject to federal income taxes; must start at age 70½ • Early withdrawals before age 59½ may incur 10% penalty	• Subject to federal income taxes; must start at 70½ • Early withdrawals before 59½ may incur 10% penalty • Tax-free withdrawals on Roth option for qualified distributions[3]
Deadline to contribute	• *Employer*: Tax filing deadline, including filed extensions • *Employee*: Payroll deductions	Employer's tax filing deadline, including filed extensions	• Employer's tax filing deadline, including extensions • Plan must be established by employer's fiscal year-end

SIMPLE IRA	SEP IRA	Solo K
	Consider if sole proprietor or only employ spouse	
Small business with non-spouse employees *(100 or fewer employees for SIMPLE)*		
Less complexity/paperwork		
	No mandatory contributions	
	Higher contribution limits than SIMPLE for higher-income individuals	Higher contribution limits
Employee contributions permitted		
		Roth option for employee contributions
		Limited loans
		Typically more limited investment menu

CONSIDER A SIMPLE IRA IF YOU:

[CHECK ALL THAT APPLY]

- ❒ Have 100 or fewer employees
- ❒ Have predictable business revenues that allow for mandatory employer contributions each year
- ❒ Won't sponsor any other retirement plans in the same year
- ❒ Wish to maximize your contributions as both employee and employer
- ❒ Want to reduce your taxable income through pre-tax salary deferrals
- ❒ Employ mostly non-family members
- ❒ Expect employees to fund most of their retirement account
- ❒ Seek to avoid the administrative and regulatory requirements of 401(k)s

CONSIDER A SEP IRA IF YOU:

[CHECK ALL THAT APPLY]

- ❒ Earn most or all income from self-employment
- ❒ Are a sole proprietor or own a corporation with no employees
- ❒ Have unpredictable business revenues that may not allow for mandatory employer contributions each year
- ❒ Earn a high salary and wish to maximize your contributions
- ❒ Employ mostly family members who might also receive large contributions
- ❒ Have mostly lower-paid employees who won't receive large contributions
- ❒ Don't expect employees to invest their own money
- ❒ Seek the easiest plan to administer

CONSIDER A SOLO K IF YOU:

[CHECK ALL THAT APPLY]

- ❒ Are a sole proprietor or own a corporation with no employees other than your spouse
- ❒ Have unpredictable income and want the option to change or skip contributions
- ❒ Earn a high salary and wish to maximize your contributions
- ❒ Are willing to absorb initial set-up expenses and possible future tax filing expenses
- ❒ Might want to borrow against balance in the future

[1] Employees must be notified of the reduced limit within a reasonable period of time before the 60-day election period during which employees can enter into salary reduction agreements.
[2] Except for Solo K, requirements may be less restrictive to include more employees, if desired.
[3] Qualified distributions: Withdrawals after the account has been opened 5 years and the account owner is at least age 59½.

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