

# Tax Treatment Table of Retirement Accounts



	Individual Accounts		Employer Accounts		
	Brokerage Accounts	Roth IRA	401(k)	Roth 401(k)	Mega Back Door Roth 401(k)
Description	A type of investment account that allows you to buy and sell a variety of investments, such as stocks, bonds, mutual funds, and ETFs.	A type of after-tax account that is available to an individual.	A type of tax-deferred account that is available through an employer.	A type of tax-deferred account that is available through an employer.	Individual contributes to their after-tax bucket within the 401(k), then converts the assets to Roth via an in-plan conversion to avoid taxes on earnings.
Income Limits	None	\$165K Individual/\$246K Married Filing Jointly	None	None	None
Contribution Type	After-Tax	After-Tax	Pre-Tax	After-Tax	Pre-Tax
Personal Contribution Limits	None	\$7,000/\$8,000	\$23,500/\$31,000	\$23,500/\$31,000	Up to \$46,500 <sup>1</sup>
Tax Treatment at Withdrawal	Earnings taxed as capital gains	Principal and earnings are tax free <sup>2</sup>	Principal and earnings are taxed as ordinary income	Principal and earnings are tax free <sup>2</sup>	Principal and earnings are tax free <sup>2</sup>
Fed Tax Rate at Withdrawal	0%–20%	0%	10%–39.6%	0%	0%
Subject to RMDs (Required Minimum Distributions)	No	No	Yes	No, if converted to a Roth IRA <sup>3</sup>	No, if converted to a Roth IRA <sup>3</sup>

<sup>1</sup>Total Annual Contribution Limit is \$70,000K < 50 years and \$77,500 > 50 Years. An individual can contribute up to \$46,500 assuming that they also contribute the maximum total employee deferral contribution limit of \$23,500 < 50 years and \$31,000 > 50 Years.

<sup>2</sup>This assumes withdrawals are qualified per IRS guidelines.

<sup>3</sup>Roth 401(k) accounts are subject to RMDs if not rolled over to a Roth IRA once the plan participant leaves their employer.

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