

Investment Account Cheat Sheet

Retirement Savings Accounts

TAX DEFERRED GROWTH

- TAX DEDUCTION UPON DEPOSIT
- PAY INCOME TAXES ON WITHDRAWALS

TYPES OF ACCOUNTS:

- 401(k), 403(b), 457, and/or TSP
- Annuities
- IRA (Traditional and Rollover)
- SEP IRA
- SIMPLE IRA

TAX FREE GROWTH

- NO TAX DEDUCTION UPON DEPOSIT
- PAY NO TAXES ON WITHDRAWALS

TYPES OF ACCOUNTS:

- Roth 401(k)
- Roth IRA

College Savings Accounts

TAX DEFERRED GROWTH

- ACCOUNT GROWTH IS TAX DEFERRED
- DISTRIBUTIONS ARE TAX-FREE IF USED FOR QUALIFIED EDUCATION EXPENSES

TYPES OF ACCOUNTS:

- 529 Plan
- Coverdell Education Savings Account

TAXABLE GROWTH

- ACCOUNT GROWTH TAXED AT A REDUCED RATE
- FLEXIBLE CONTRIBUTION AND DISTRIBUTION RULES

TYPES OF ACCOUNTS:

- UTMA Custodial Account
- UGMA Custodial Account

Taxable Investment Accounts

TAXABLE GROWTH

- ACCOUNT GROWTH IS TAXED AS IT OCCURS (IS REALIZED)
- THESE ACCOUNTS HAVE THE MOST FLEXIBLE CONTRIBUTION AND DISTRIBUTION RULES

TYPES OF ACCOUNTS:

- Individual Account
- Joint Account
- Trust Account