



TOP TEN DIFFERENCES BETWEEN A ROTH IRA AND A DESIGNATED ROTH ACCOUNT

	Roth IRA	Designated Roth Account
Number of Investment Choices	Many as long as not prohibited	As offered by the plan
Participation	Anyone with earned income	Participant in a 401(k), 403(b) or 457 governmental plan that allows designated Roth contributions
Contribution limits	\$5,500 (for 2015 and 2016*) \$6,500* (if age 50 or older)	\$18,000 (in 2015 and 2016*) \$24,000* (if age 50 or older)
Recharacterization of rolled-over amounts	Allowed	Not allowed
Required minimum distributions	Only after the original IRA owner's death	Yes
Tax on nonqualified distributions	Nonqualified distributions are distributed in this order: 1. Nontaxable contributions 2. Taxable earnings	Nonqualified distributions are pro-rated between Roth contributions (nontaxable) and earnings (taxable)
Withdrawals	Anytime. May be subject to tax if not a qualified distribution	Only when allowed by the terms of the plan. Subject to tax if not a qualified distribution
Loans	No	Yes, if plan allows
5-year holding period for qualified distributions	Begins January 1 of the year a contribution is made to any Roth IRA	Separate for each Roth account and begins on January 1 of the year contributions made to that account. If one Roth account is rolled into another, the earlier start date applies.
Beneficiary	Anyone	Anyone but, if married, spouse must consent to nonspouse beneficiary

*See [Cost-of-Living Adjustments](#) for other years' limits.