

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)
- IRA
- 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

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 (REALIZED)
- THESE ACCOUNTS HAVE THE MOST FLEXIBLE CONTRIBUTION AND DISTRIBUTION RULES

Types of Accounts:

- Individual Account
- Joint Account
- Trust Account