

Individual Retirement Account



An Individual Retirement Account (IRA) is an excellent long-term investment option that should be part of everyone's retirement savings portfolio, regardless of income or other retirement plans. IRA plans allow certain tax advantages for deposits (contributions) and withdrawals (distributions). The IRA options available through Comerica Bank are as follows:

	Traditional IRA	Roth IRA	Simplified Employee Pension Plan (SEP)	Savings Incentive Match Plan for Employees IRA (SIMPLE)
Purpose	<ul style="list-style-type: none"> For those who can't contribute to a work-sponsored retirement plan 	<ul style="list-style-type: none"> For individuals who anticipate being in a higher tax bracket at retirement or might want the flexibility to make early withdrawals 	<ul style="list-style-type: none"> Retirement plan for self-employed individuals or small business owners with variable earnings 	<ul style="list-style-type: none"> For businesses with 100 or fewer eligible employees seeking an alternative to the 401(k) plan Self-employed individuals with earned income
Features	<ul style="list-style-type: none"> Earnings are tax-deferred Contributions may be tax deductible Deductible contribution thresholds are adjusted periodically for the cost of living Spousal IRAs available for non-working spouses 	<ul style="list-style-type: none"> Contributions are made with after-tax dollars Earnings accumulate tax-free No age restrictions for contributions Qualified distributions are tax-free Transfers of Traditional IRAs to Roth IRAs available Spousal IRAs available for non-working spouses 	<ul style="list-style-type: none"> Easy to establish & maintain Low cost Minimal IRS filings and paperwork Flexible employer contributions Employer not committed to contribute for any future years No age limitations as long as income is still being earned 	<ul style="list-style-type: none"> Easy to establish and maintain Earnings on contributions are tax-deferred Pre-tax contributions may reduce employee's current taxable income Employers of household workers may make deductible contributions to a SIMPLE IRA on behalf of their workers 100% immediate participant vesting No non-discrimination testing and no participation requirements
Eligibility Requirements	<ul style="list-style-type: none"> Must have earned income for the year 	<ul style="list-style-type: none"> Eligibility based on Adjusted Gross Income limits 	<ul style="list-style-type: none"> Must include all employees who <ul style="list-style-type: none"> At least age 21 Worked for employer at least 3 of the immediately preceding 5 years Earned at least \$750 income in previous year Employer cannot have any other retirement plan May exclude <ul style="list-style-type: none"> Union employees Non-resident alien employees who receive no earned income from the employer Employees who earned less than \$750 	<ul style="list-style-type: none"> Must include all employees who <ul style="list-style-type: none"> Earned at least \$5,000 during any two preceding years and can reasonably expect to earn at least \$5,000 current year May exclude <ul style="list-style-type: none"> Union employees Non-resident alien employees who receive no earned income from the employer
Plan Contribution Limits	<ul style="list-style-type: none"> Annual IRS Contribution limit or 100% of earned income, whichever is less Additional contributions (known as Catch-up Contributions) available for individuals age 50 or older. 	<ul style="list-style-type: none"> Annual IRS Contribution limit or 100% of earned income, whichever is less Additional contributions (known as Catch-up Contributions) available for individuals age 50 or older. 	<ul style="list-style-type: none"> 25% of the employee's first \$360,000 of compensation or \$72,000, whichever is less 	<ul style="list-style-type: none"> Maximum Annual IRS Employee salary reduction contribution limits apply Additional contributions (known as Catch-up Contributions) available for individuals age 50 or older. Employer Match requirements apply
Withdrawal Guidelines	<ul style="list-style-type: none"> Required Minimum Distributions at age 73 Some IRA penalty-free withdrawal opportunities¹ include: <ul style="list-style-type: none"> Contribution to First Time Home Purchase Qualifying expenses: Education, Medical, Health Insurance (if unemployed) Age 59½ or later Disability Death Equal periodic payments IRS Tax Levy Qualified hurricane or recovery assistance distributions Qualified birth or adoption distribution 	<ul style="list-style-type: none"> No Required Minimum Distributions during the account holder's lifetime After 5 years of opening, some IRA penalty-free withdrawal opportunities¹ include: <ul style="list-style-type: none"> Contribution to First Time Home Purchase Age 59½ or later Disability Death Qualified birth or adoption distribution 	<ul style="list-style-type: none"> Required Minimum Distributions at age 73 Some IRA penalty-free withdrawal opportunities¹ include: <ul style="list-style-type: none"> Contribution to First Time Home Purchase Qualifying expenses: Education, Medical, Health Insurance (if unemployed) Age 59½ or later Disability Death Equal periodic payments IRS Tax Levy Qualified hurricane or recovery assistance distributions Qualified birth or adoption distribution 	<ul style="list-style-type: none"> Required Minimum Distributions at age 73 Some IRA penalty-free withdrawal opportunities¹ include: <ul style="list-style-type: none"> Contribution to First Time Home Purchase Qualifying expenses: Education, Medical, Health Insurance (if unemployed) Age 59½ or later Disability Death Equal periodic payments IRS Tax Levy Qualified hurricane or recovery assistance distributions Qualified birth or adoption distribution

¹All other withdrawals are subject to an IRS early distribution penalty. Consult with your tax advisor.

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