

ADVANTAGES AND DISADVANTAGES OF AN IRA

Choosing to open an Individual Retirement Account, or IRA, is a good idea for those who want more than what a regular 401(k) or savings plan can provide to them. There is nothing more exciting than the arrival of the golden years, however, if you' ve nor financially prepared, those days of living the relaxing, laid-back life could be cut to a minimum.

The IRA is preferred by many people because it offers the chance to receive many different benefits, which includes tax deductible contributions. However, there are pitfalls to the IRA that you should be aware of including the rules of accessing the money that has been placed into this special account. If you are interested in funding your retirement account with the help of the IRA it is highly recommended that you weigh both the pros and the cons of the account. If you want to invest in precious metals, you can also consider getting a [silver ira](#).

Should you open an IRA and decide to withdrawal money, the IRS will implement a penalty of 10%. There are exceptions to this rule, however, and you may be able to take this money out of the account for special circumstances which includes to fund education, for medial necessities and for other hardships. It is also allowable for a withdrawal to be made if you are a first-time homebuyer, with an amount of up to \$10,000 available without penalty.

Any money that is made into a traditional IRA can be deducted on your annual tax return, as long as the individual does not have a retirement plan available through his or her employer, no matter what the amount of income. Those who have an employed sponsored retirement plan cannot make more than \$56,000 in a year, or \$90,000 per year for those who file married filing jointly on their tax return.

The Roth IRA, on the other hand, allows an individual to make contributions to the savings plan so long as they have an income of less than \$122,000 or \$179,000 if you are married filing jointly. There is no impact on the Roth IRA if you have an employed sponsored retirement account.

While it is possible to make withdrawals from the IRA it is not advisable, and those who choose to do so will face a 10% penalty for this withdrawal, along with their normal income taxes. This can quickly add up to a huge chunk of change.

The IRA can change the way that you retire. If you are one who wants