

Tax Treatment Table of Retirement Accounts

	Individual Accounts		Employer Accounts		
	Brokerage Accounts	Roth IRA	401(k)	Roth 401(k)	Mega Backdoor Roth 401(k)
Description	A type of investment account that allows you to buy and sell a variety of investments, such as stocks, bonds, mutual funds, and ETFs.	A type of after-tax account that is available to an individual.	A type of tax-deferred account that is available through an employer.	A type of tax-deferred account that is available through an employer.	Individual contributes to their after-tax bucket within the 401(k), then converts the assets to Roth via an in-plan conversion to avoid taxes on earnings.
Income Limits	None	\$144K Individual/\$214K Married Filing Jointly	None	None	None
Contribution Type	After-Tax	After-Tax	Pre-Tax	After-Tax	Pre-Tax
Personal Contribution Limits	None	\$6,000/\$7,000	\$20,500/\$27,000	\$20,500/\$27,000	Up to \$40,500 ¹
Tax Treatment at Withdrawal	Earnings taxed as capital gains	Principal and earnings are tax free ²	Principal and earnings are taxed as ordinary income	Principal and earnings are tax free ²	Principal and earnings are tax free ²
Fed Tax Rate at Withdrawal	0%-20%	0%	10%-39.6%	0%	0%
Subject to RMDs (Required Minimum Distributions)	No	No	Yes	No, if converted to a Roth IRA ³	No, if converted to a Roth IRA ³

¹Total Annual Contribution Limit is \$61,500K <50 years and \$67,500 > 50 Years. An individual can contribute up to \$40,500 assuming that they also contribute the maximum total employee deferral Contribution limit of \$21,500 <50 years and \$27,000 > 50 Years.

²This assumes withdrawals are qualified per IRS guidelines.

³Roth(401)k accounts are subject to RMDs if not rolled over to a Roth IRA once the plan participant leaves their employer.