

Tax-Deferred Investing: A Smart Way to Help Grow Your Wealth?

Traditional IRA:

- Contributions may be tax-deductible.
- Earnings grow tax-deferred until withdrawal.
- Withdrawals are taxed as ordinary income

403(b) Plans:

- Similar to 401(k) plans but for employees of public schools and certain tax-exempt organizations.
- Contributions are made pre-tax, and earnings grow tax-deferred.

401(k) Plans:

- Employer-sponsored retirement plans.
- Contributions are made pre-tax, reducing taxable income.
- Earnings grow tax-deferred until withdrawal

Examples of Tax-Deferred Accounts

Benefits of Tax-Deferred Investing:

- **Tax Savings:** Contributions may reduce your taxable income, providing immediate tax benefits.
- **Compound Growth:** Earnings grow without the drag of annual taxes, potentially increasing your investment's value over time
- **Retirement Confidence:** Helps build a nest egg for retirement, and can assist in financial stability in your later years

Tax Bracket:

Withdrawals are taxed as ordinary income, so consider your future tax bracket when planning

Required Minimum

Distributions (RMDs): Starting at age 73, you must begin taking RMDs from most tax-deferred accounts

Early Withdrawal

Penalties: Withdrawals before age 59½ may incur a 10% penalty in addition to regular income tax

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Every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment. Prior to making an investment decision, please consult with your financial advisor about your individual situation.

Be sure to consider all of your available options and the applicable fees and features of each option before moving your retirement assets.

Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

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