

YOUR GUIDE TO

Individual Retirement Accounts (IRA)

SECURITY BENEFIT

Security Benefit®

TO AND THROUGH RETIREMENT

SECURITY BENEFIT LIFE INSURANCE COMPANY

FIRST SECURITY BENEFIT LIFE INSURANCE AND ANNUITY COMPANY OF NEW YORK



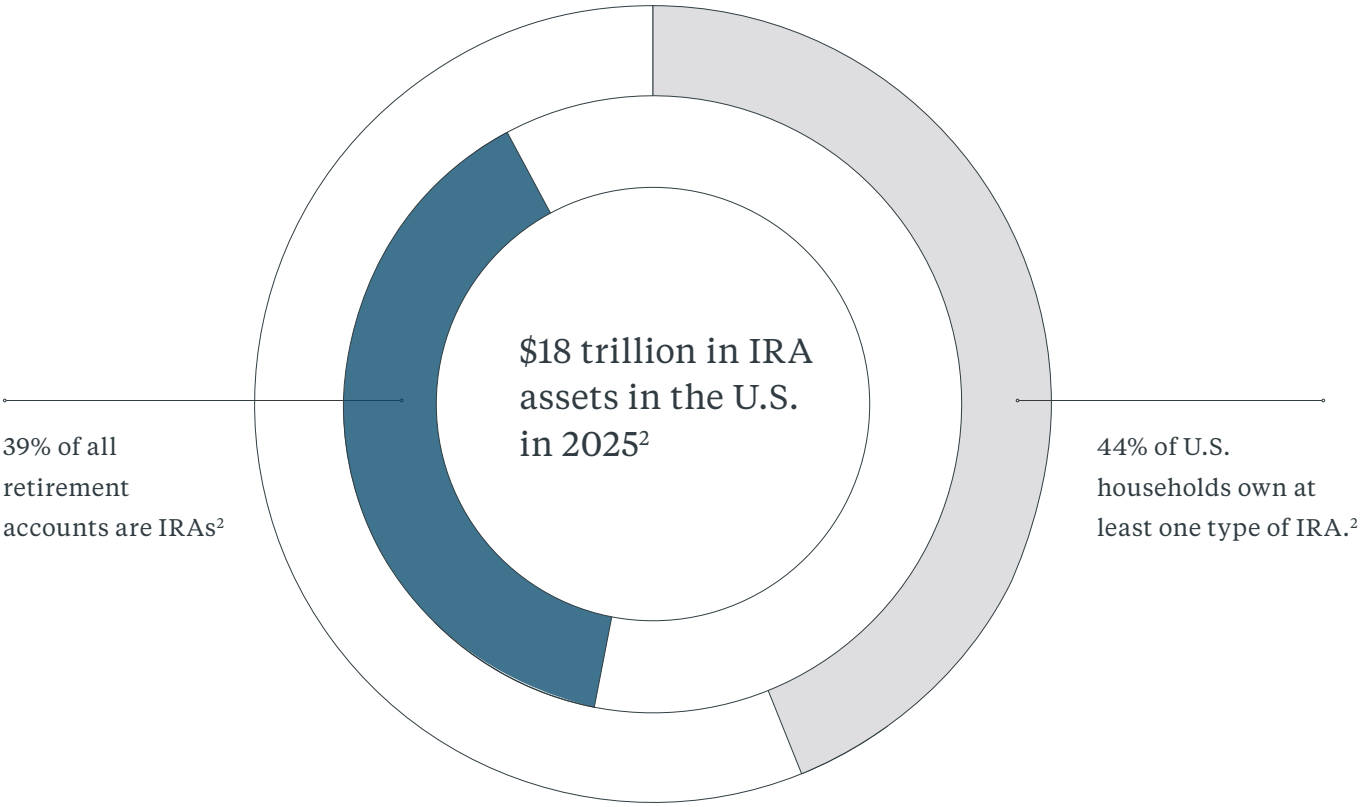
Only 15% of today's private-sector workers can count on retiring with a pension, which used to be a standard part of most people's retirement plan.[1]

[1] Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, Jun. 4, 2025

A Pension and Social Security May Not Replace Your Entire Income

This means you have to take charge of your own money if you want to retire well.

IRAs have become a trusted and popular savings vehicle to help people build a robust retirement portfolio. An individual retirement account (IRA) is a trust or custodial account set up in the United States for the exclusive benefit of you or your beneficiaries.



[2] Investment Company Institute, Release: Quarterly Retirement Market Data, Second Quarter 2025 https://www.ici.org/statistical-report/ret_25_q2

Traditional and Roth IRAs

There are two types of IRAs you can create — Traditional and Roth.

A Traditional IRA may allow you to save with tax-deductible contributions, and the IRA can grow tax deferred until you start withdrawing funds. A Roth IRA allows you to contribute post-tax dollars, so your withdrawals will be tax-free at retirement, if certain requirements are met.

Traditional IRA

- Contributions may be made on a pretax basis.
- Taxes are due when withdrawals are made.
- Withdrawals before age 59½ may be subject to an IRS 10% early withdrawal penalty tax unless an exception applies.

Roth IRA

- Contributions are made on an after-tax basis.
- If certain requirements are met, all earnings are tax-free; no future taxes are due on Roth assets.
- Roth contributions are available for withdrawal anytime and do not incur taxes or early withdrawal penalty.

Contributing to an IRA

Basically, anyone with earned income can contribute to a Traditional IRA, however, there are income restrictions for deductibility purposes if you are an active participant in a retirement plan. For Roth IRA's there are contribution and modified adjusted gross income (MAGI) limit restrictions that apply.
See the Benefit Chart on pages 6 and 7 for details.



Rollovers

Another way to contribute to an IRA is through a rollover.

A rollover is a tax-free distribution to you of cash or other assets from one retirement account to another retirement account. The contribution to the second retirement account is called a “rollover contribution.” Most often people execute a rollover if they leave their employer or consolidate assets into one IRA.

Two Types of Rollovers — Direct and Indirect

Direct Rollover

- Assets from an existing retirement account are paid directly to the qualified plan or IRA Custodian/Trustee, not to you. In some cases a check may be sent to you, but payable to the 'Custodian/Trustee FBO You.' It is your responsibility to get it to the new Custodian/Trustee.
- 20% mandatory withholding does not apply.
- There is no tax liability as there is with a distribution.
- The direct rollover option is preferred in most cases.

Indirect Rollover

- You are given funds from an existing retirement account via check; it is up to you to redeposit the funds into the new IRA.
- 20% mandatory withholding applies from qualified plans.
- There is a 60-day period to complete the rollover. Any amount not rolled over within the 60 days is subject to taxes and possible IRS penalties.

Partial Rollover

You don’t have to put the entire amount you withdraw from your retirement account into the IRA. You can roll over a part of the assets and do something else with the rest; this is called a partial rollover. Any portion distributed to you but not rolled over, more than likely, is taxable and subject to an IRA early-distribution penalty. Any portion remaining in the original IRA is not subject to tax from the partial rollover.

A Consumer's Guide to IRA Eligibility and Benefit Chart

IRA Type	Eligibility	Contribution Limits/Deadline
Traditional IRA (Deductible)	Earned income Comply with income restrictions for deductibility if you are an active participant in a retirement plan **Modified Adjusted Gross Income (MAGI) Limits for Deductible Traditional IRAs** **Beginning** / **Joint Filers** 2025 $126,000 - $146,000 2026 $129,000 - $149,000 **Beginning** / **Single Filers** 2025 $79,000 - $89,000 2026 $81,000 - $91,000 **Beginning** / **Non-active Participant Spouse (Joint Return)** 2025 $236,000 - $246,000 2026 $242,000 - $252,000	**Taxable Year** / **Contribution Limits** 2025 $7,000 2026 $7,500 **Catch-up Contributions for Individuals Age 50 or Older** **Taxable Year** / **Contribution Limits** 2025 $1,000 2026 $1,100 April 15 deadline for contributions and catch-up contributions for prior year
Roth IRA	Earned income **Modified Adjusted Gross Income (MAGI) limits for Roth IRA contributions** **Taxable Year** **Beginning** / **Single Taxpayer** 2025 $150,000 - $165,000 2026 $153,000 - 168,000 **Beginning** / **Joint Returns** 2025 $236,000 - $246,000 2026 $242,000 - 252,000	**Taxable Year** / **Contribution Limits** 2025 $7,000 2026 $7,500 **Catch-up Contributions for Individuals Age 50 or Older** **Taxable Year** / **Contribution Limits** 2025 $1,000 2026 $1,100 April 15 deadline for contributions and catch-up contributions for prior year
Rollover IRA	Persons receiving a distribution eligible for rollover from a retirement plan or other IRAs	Any amount may be rolled over Must be rolled into an IRA within 60 days of the distribution (if an indirect rollover) Direct rollovers are the preferred method of rollovers

Distribution Regulations	May Be Suitable For	Benefits
Required Minimum Distributions must begin at the specified IRS RMD age. Distributions that avoid IRS withdrawal penalty: – Death or disability – First-time home purchase ($10,000 maximum) – Qualified higher education expenses – Age 59½ – Medical expenses (in excess of 7.5% of AGI) – Health insurance if unemployed – Received as substantially equal periodic payments over owner's life expectancy (72(t)) – Qualified reservist distribution – Distributions due to IRS levy – Qualified hurricane distribution	Eligible persons desiring a current-year tax deduction Persons expecting to be in a lower tax bracket after retirement Nonemployed spouse, if filing a joint return	Tax-deductible contributions Tax-deferred growth Penalty-free withdrawals under certain circumstances Eligible Designated Beneficiaries may be able to "stretch" the IRA *(Designated Beneficiaries are subject to the 10 year rule)*
Contributions may be withdrawn tax free at any time Distributions are tax free if the account is held for at least 5 years and one of the following also apply: – Age 59½ – Death or disability – First-time home purchase ($10,000 maximum)	Persons ineligible for a deductible traditional IRA Persons expecting to be in a higher tax bracket after retirement Any persons with earned income Nonemployed spouse, if filing a joint return	Qualified withdrawals are tax-free Tax-deferred growth No Required Minimum Distributions during lifetime Eligible Designated Beneficiaries may be able to "stretch" the IRA *(Designated Beneficiaries are subject to the 10 year rule)*
Required Minimum Distributions must begin at the specified IRS RMD age. Distributions that avoid IRS withdrawal penalty: – Death or disability – First-time home purchase ($10,000 maximum) – Qualified higher education expenses – Age 59½ – Medical expenses (in excess of 7.5% of AGI) – Health insurance if unemployed – Received as substantially equal periodic payments over owner's life expectancy (72(t)) – Qualified reservist distribution – Distributions due to IRS levy – Qualified hurricane distribution	Persons receiving a lump sum distribution from a retirement plan	Tax-deferred growth Avoids taxes and penalties Penalty-free withdrawals under certain circumstances Eligible Designated Beneficiaries may be able to "stretch" the IRA *(Designated Beneficiaries are subject to the 10 year rule)*

*No federal taxes apply; however, state tax treatment of Roth IRA earnings may vary by state.

Your path *To and Through Retirement*® begins here.

Talk to your financial professional to see whether an IRA can complement your retirement portfolio or contact us at 800.888.2461.

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