

	Taxable Brokerage Account	Traditional 401(k)	Roth 401(k)	Solo 401(k)	Traditional IRA	Roth IRA	403(b) and 457 Accounts	SEP IRA & SIMPLE IRA	529 Plan	Health Savings Account	Flexible Spending Account	UTMA/UGMA
What's the purpose of the account?	Anything. The most flexible account.	Save for retirement	Save for retirement	Save for retirement	Save for retirement	Save for retirement	Save for retirement 403(b) - for public school teachers and certain 501(c)3 tax-exempt orgs 457 - state and local gov'ts, and some non-profits	Save for retirement	Save for K-12/college expenses	Save for healthcare expenses (can be "converted" to retirement savings eventually)	Save for healthcare expenses	Gift to children (e.g. for college) Custodial accounts that transfer assets to a minor without establishing a trust
How are contributions taxed?	Contributions are made with post-tax dollars.	Contributions are made with pre-income-tax dollars. a.k.a. "tax deferred" You still have to pay Social Security and Medicaid taxes	Contributions are made with post-tax dollars.	Can follow either Roth or Traditional taxation.	Contributions are made with pre-income-tax dollars. a.k.a. "tax deferred" You still have to pay Social Security and Medicaid taxes	Contributions are made with post-tax dollars.	Typically, same as Traditional 401(k) Though, some are same as Roth 401(k)	Contributions are made with pre-income-tax dollars. a.k.a. "tax deferred" You still have to pay Social Security and Medicaid taxes	Contributions are made with post-tax dollars.	Contributions are made with pre-income-tax dollars. a.k.a. "tax deferred" You still have to pay Social Security and Medicaid taxes	Contributions are made with pre-income-tax dollars. a.k.a. "tax deferred" You still have to pay Social Security and Medicaid taxes	Contributions are made with post-tax dollars.
How are withdrawals taxed?	Withdrawals are taxed according to capital gains tax brackets.	Withdrawals are taxed according to federal and state income tax brackets.	Withdrawals are not taxed.	Can follow either Roth or Traditional taxation.	Withdrawals are taxed according to federal and state income tax brackets.	Withdrawals are not taxed.	Typically, same as Traditional 401(k) Though, some are same as Roth 401(k)	Withdrawals are taxed according to federal and state income tax brackets.	Withdrawals are not taxed as long as they are used for qualified education expenses.	Withdrawals are not taxed as long as they are used for qualified health expenses.	Withdrawals are not taxed as long as they are used for qualified health expenses.	Withdrawals are not taxed.
How is investment growth taxed?	Realized growth (aka once investments are sold) within the account is subject to capital gains tax.	Growth within the account is not taxed.	Growth within the account is not taxed.	Growth within the account is not taxed.	Growth within the account is not taxed.	Growth within the account is not taxed.	Growth within the account is not taxed.	Growth within the account is not taxed.	Growth within the account is not taxed.	Growth within the account is not taxed.	Not applicable. FSA funds cannot be invested.	Realized growth (aka once investments are sold) within the account is subject to tax treatment described directly below..
How are dividends taxed?	Dividends are taxed annually. Some dividends are subject to income tax. Others are subjects to capital gains tax.	Dividends within the account are not taxed.	Dividends within the account are not taxed.	Dividends within the account are not taxed.	Dividends within the account are not taxed.	Dividends within the account are not taxed.	Dividends within the account are not taxed.	Dividends within the account are not taxed.	Dividends within the account are not taxed.	Dividends within the account are not taxed.	Not applicable. FSA funds cannot be invested.	For 2022... The first \$1150 is not taxed The next \$1150 is taxed at the child's tax rate. Everything after is taxed at the adult's tax rate.
Any age-based limits? Withdrawals? RMDs? Etc...	There are no age-based limits.	You cannot withdraw funds until age 59.5, without penalty. Required Minimum Distributions begin at age 72. Some caveats and exceptions apply.	You cannot withdraw funds until age 59.5, without penalty. Required Minimum Distributions begin at age 72. Some caveats and exceptions apply.	You cannot withdraw funds until age 59.5, without penalty. Required Minimum Distributions begin at age 72. Some caveats and exceptions apply.	You cannot withdraw funds until age 59.5, without penalty. Required Minimum Distributions begin at age 72. Some caveats and exceptions apply.	You can withdraw contributions at any time. You cannot withdraw gains until age 59.5, without penalty. No RMDs. Some caveats and exceptions apply.	403b - You cannot withdraw funds until age 59.5, without penalty. 457 - You can withdraw funds before age 59.5 without penalty, under certain circumstances. Required Minimum Distributions begin at age 72. Some caveats and exceptions apply.	You cannot withdraw funds until age 59.5, without penalty. Required Minimum Distributions begin at age 72. Some caveats and exceptions apply.	You can withdraw contributions at any time to pay for qualified educational expenses.	Note: you can even hold onto receipts for years and then "refund yourself" later. This can be useful to let your HSA funds grow as much as possible.	You can withdraw contributions at any time to pay for qualified expenses. Important: FSAs have a "use it, or lose it" feature. Unlike all other accounts here, you must use FSA funds in the year	UTMA/UGMAs are irrevocable . Once money is in the account, it can only be withdrawn in two ways: 1) The account custodian withdraws it directly on behalf of the beneficiary child 2) The beneficiary has reached the age of majority (varies by state) and withdraws it themselves
What investments are available?	Just about anything on the market.	Typically only those offered by the 401k plan administration	Typically only those offered by the 401k plan administration	Typically, you (as the business owner) can work with a 401(k) administrator to access a wide range of potential investments...but you likely cannot change investment options on short notice.	Just about anything on the market.	Just about anything on the market.	Typically only those offered by the plan administration	Just about anything on the market.	Typically only those offered by the plan administration	Typically only those offered by the plan administration	Not applicable. FSA funds cannot be invested.	UGMA - stocks, bonds, funds, etc. UTMA - the same, plus real estate, jewelry, art, etc
Are there contribution limits?	There are no contributions limits.	For 2022... \$20,500 per year if under age 50 \$27,000 per year if over age 50	For 2022... \$20,500 per year if under age 50 \$27,000 per year if over age 50	For 2022... \$61,000 per year if under age 50 \$67,500 per year if over age 50	For 2022... \$6000 per year if under age 50 \$7000 per year if over age 50	For 2022... \$6000 per year if under age 50 \$7000 per year if over age 50	For 2022... \$20,500 per year if under age 50 \$27,000 per year if over age 50	For 2022... SEP - \$61,000, but only from employer SIMPLE - \$14K + (if over 50) \$3K more, + up to 3% employer match	None, although 529 contributions are considered completed gifts (Federal Tax purposes.) \$16K/year per donor is the 2022 gift exclusion (\$32K/year for married couple)	For 2022... \$3650 for single \$7300 for families and \$1000 for "catch up" if 55 or older	For 2022... \$2850 for single \$5700 if both spouses have FSAs \$5000 for one FSA, if for a family	None, although 529 contributions are considered completed gifts (Federal Tax purposes.) \$16K/year per donor is the 2022 gift exclusion (\$32K/year for married couple)
Are there eligibility limits?	There are no eligibility limits for adults. Children, typically, cannot set up their own brokerage accounts.	Yes - the account must be created and funded through your employer.	Yes - the account must be created and funded through your employer.	Must be a business owner with only one employee (yourself) - although you can include your spouse as an extra employee.	Yes. If you are a 401(k) participant through work, your IRA benefits phase out between: Single: \$68K - \$78K Married Filing Jointly: \$109K - \$129K Non-active participant married to active: \$204K - \$214K	Roth phaseouts are: Single: \$129K - \$144K Married filing jointly: \$204K - \$214K	Yes - the account must be created and funded through your employer.	Accounts can only be created by employers . That said, self-employed can create these accounts for themselves. Typically seen as a "easy substitute" for more complex 401(k) plans.	No. Anyone with future educational expenses can open a 529 account.	Yes. Only participants enrolled in a high-deductible health plan (HDHP) can contribute to an HSA.	Yes. Only employers can open an FSA on your behalf.	Must be opened by an adult (the custodian) on behalf of a minor (the beneficiary)
Are there withdrawal penalties?	There are no withdrawal penalties.	Yes, if withdrawals are made before age 59.5, a 10% penalty tax is assessed, in addition to the income taxes mentioned above. Certain caveats and exceptions apply.	Yes, if withdrawals are made before age 59.5, a 10% penalty tax is assessed, in addition to the income taxes mentioned above. Certain caveats and exceptions apply.	Yes, if withdrawals are made before age 59.5, a 10% penalty tax is assessed, in addition to the income taxes mentioned above. Certain caveats and exceptions apply.	Yes, if withdrawals are made before age 59.5, a 10% penalty tax is assessed, in addition to the income taxes mentioned above. Certain caveats and exceptions apply.	Yes, if gains are withdrawn before age 59.5, a 10% penalty tax is assessed. Certain caveats and exceptions apply.	Yes, if withdrawals are made before age 59.5, a 10% penalty tax is assessed, in addition to the income taxes mentioned above. Certain caveats and exceptions apply.	Yes, if withdrawals are made before age 59.5, a 10% penalty tax is assessed, in addition to the income taxes mentioned above. Certain caveats and exceptions apply.	If withdrawals are not used for qualified educational expenses, they are subject to a 10% penalty on top of income taxes.	If withdrawals are not used for qualified health expenses, they are subject to income tax. Additionally, if this occurs prior to age 65, an additional 20% penalty tax is assessed.	At the beginning of the year, you have immediate access to withdrawing your FSA account, <i>even if you haven't fully funded your account yet!</i>	None, except that all withdrawals from a custodial account must be for the direct benefit of the beneficiary.
Who owns the account?	Brokerage accounts can be opened for individuals or jointly across many equal owners.	Your contributions to a 401(k) are yours, and yours alone. The "company match" may be subject to vesting/clawback rules, where the employer has rights to that money for a period of time.	Your contributions to a 401(k) are yours, and yours alone. The "company match" may be subject to vesting/clawback rules, where the employer has rights to that money for a period of time.	Your contributions to a 401(k) are yours, and yours alone.	You do, 100%.	You do, 100%.	Your contributions to a 403(b)/457 are yours, and yours alone. The "company match" may be subject to vesting/clawback rules, where the employer has rights to that money for a period of time.	You do, 100%.	You own the account and control the investments. A named beneficiary (i.e. the student) will receive the funds for their education.	You do, 100%.	Your employer owns the account, even though you've agreed to fund it from your paychecks.	The custodian owns the account until the beneficiary reached the age of majority.
Other thoughts?	Since there are no limits, this could very well end up being your largest account by the time you retire.	GET YOUR EMPLOYER MATCH! IT'S FREE MONEY! VERY rarely does a scenario arise where the employer match is not worth pursuing.	GET YOUR EMPLOYER MATCH! IT'S FREE MONEY! VERY rarely does a scenario arise where the employer match is not worth pursuing.				Beware: many 403(b) and 457 plans allow outside "advising" from (predatory) financial professionals.		Reported on FAFSA as a parent's asset, reducing financial aid by up to 5.64% of the account balance. Beneficiaries can be swapped between children and grandchildren.	HSA accounts can provide triple tax benefits... No tax on contributions. No tax on gains. No tax on qualified withdrawals.	If you leave your employer, you will forfeit your FSA account balance.	Reported on FAFSA as a child's asset, reducing financial aid by up to 20% of the account balance.