

## HOW TO BE A TAX-FREE MILLIONAIRE- THE IMPORTANCE OF OPENING A ROTH IRA ASAP!

### CLASS FOLLOW UP- STEPS TO OPENING UP A ROTH IRA:

**Step 1:** Understand Roth IRA Basics: Before you begin, it's important to understand what a Roth IRA is. Unlike a traditional IRA, contributions to a Roth IRA are made after-tax, meaning you won't get a tax deduction on your contributions, but your withdrawals, including earnings, are tax-free during retirement.

**Step 2:** Check Eligibility: Ensure you meet the eligibility criteria. In general, you need to have earned income (or be married to someone with earned income). Remember that you can contribute up to earned income or the annual max, whichever is less.

**Step 3:** Choose a Financial Institution: Select a reputable financial institution, such as a bank, credit union or brokerage firm. Online brokerage firms are a great option. Examples are Vanguard, Charles Schwab and Fidelity.

**Step 4:** Gather Required Documents: You'll typically need your Social Security number, driver's license, employment information, and beneficiary information (the person who will inherit your account if you pass away).

**Step 5:** Fill Out an Application: Contact your chosen financial institution or visit their website to fill out a Roth IRA application. You can often do this online, which makes the process convenient.

**Step 6:** Fund Your Roth IRA: Decide how much you want to contribute. In 2023, the annual contribution limit is \$6,500 for individuals under 50 and \$7,500 for individuals 50 and older. You can contribute to your Roth IRA for the current tax year up until the tax deadline of the following year (usually April 15).

**Step 7:** Choose Investments: Once your account is funded, you'll need to decide how to invest your money. Most Roth IRAs offer a range of investment options such as stocks, bonds, or index and exchange-traded funds (ETFs). Your choices should align with your risk tolerance and long-term financial goals. **DON'T FORGET THIS STEP!**

**Step 8:** Review and Manage Your Account: Regularly monitor your Roth IRA investments to ensure they align with your goals. Rebalance your portfolio if necessary and consider increasing your contributions over time, especially if you receive a raise or money from other places.

**First Job? Open a Roth IRA!**

**Summer Job? Open a Roth IRA!**

**Winter Job? Open a Roth IRA!**



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