Comparison Characteristic	Qualified Plan	Traditional IRA	Notes
Required Beginning Date (RBD)	No later than April 1 of the year following the later of reaching age 70½ or retirement.	No later than April 1 of the year following attainment of age 70½.	The RBD clock generally does not start running until after retirement in a qualified plan.
Required Minimum Distribution (RMD)	Account balance at end of prior year divided by life expectancy from IRS tables.	Same	
Income Taxation	Distributions from non-Roth accounts follow deductible Traditional IRA rules. Qualified distributions from Designated Roth Accounts (DRAs) generally follow Roth IRA rules.	100% of distributions from a deductible Traditional IRA are taxable. Distributions from nondeductible Traditional IRAs represent both a nontaxable return of contribution and a taxable distribution of earnings.	DRAs are subject to qualified plan RBD and RMD rules.
Too early	10% of the taxable premature distribution if under age 59½	Same	Exceptions differ. (See below for a comparison.)
Too little, too late, the Under Distribution Penalty	50% of the amount under distributed based upon RMD.	Same	

Comparison of Premature Penalty Exceptions

Exceptions that apply to IRAs and Qualified Plans

- Death, Disability, Series of Substantially Equal Payments, IRS Levy, and Medical Expenses in excess of 10% of adjusted gross income

Exceptions that Apply only to Qualified Plans

- Separation from service after age 55
- Alternate payee under a qualified domestic relations order

Exceptions that Apply only to IRAs

- Qualified higher education expenses
- Qualified homebuyers ($10,000 lifetime maximum)
- Health insurance premiums while unemployed

Specific requirements for meeting these exceptions and additional information is available at this IRS link: http://www.irs.gov/Retirement-Plans/Plan-Participant,-Employee/Retirement-Topics---Tax-on-Early-Distributions