The IRA is one of the most popular and utilized financial tools used in America. Millions of people have an IRA or similar retirement plan, and according to Investment Company Institute there was over $6.2 trillion dollars in IRAs at the end of the third quarter 2013. However, even with the popularity and use of this tool, there are many misconceptions and misunderstandings about IRAs. Some of these misconceptions may not hurt you too much, but some can be very costly.

Since IRAs are such a popular vehicle, I wanted to address some of these misconceptions and misunderstandings in this article and then follow that up with more thorough and detailed explanations on my radio show (The Retirement Money Matters Show) this coming weekend.

An IRA is an investment account registration, not an investment. Consider a piece of candy in a wrapper. The candy is the investment and the wrapper is what holds the investment.

Contributions can only be made for the current year. Actually, an IRA contribution can be made for the prior year up until the April 15th tax deadline of the current year.

There is only one type of IRA. There are many different types of IRAs, such as the Roth, Simple, Traditional, Non-Deductible and Inherited IRA.

The beneficiary designation is not important. The beneficiary designations, yes I said designations, plural, are one of the most important and vital parts of the IRA.

A rollover is always the best idea. Moving money from a former employer's retirement plan to a rollover IRA is often a good idea, but not always. In fact, sometimes it can be the worst decision you could make.

You are not responsible. Most people think that their financial custodian is responsible for making sure you do everything right. IRAs are complicated and many financial advisors or custodians do not understand or know much more than you. You are ultimately responsible.

These are just a few of the misconceptions about IRAs. For a complete list and thorough analysis on all of the IRA misconceptions, tune into the Retirement Money Matters Radio Show this coming weekend. The show airs on Saturday morning at 10:30 on WILO (1570 AM), Sunday morning at 8:30 on Shine 99.7 FM or at www.theretirementmoneymattershow.com. You can also obtain this information by contacting me at Hayes Advisory Group at 452-PLAN, 800-939-1603 or brian@hayesadvisorygroup.com.

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