

Individual Retirement Accounts (IRA)

Your Financial Future

Our IRA Savings Accounts have no minimum balance requirement and offer dividends that are calculated daily and compounded monthly. You can make unlimited deposits, up to your maximum contribution limit, and we accept direct transfers or rollovers from other plans. Enjoy a special dividend rate, and when you reach the age of 59 ½ or older, you're eligible for monthly, quarterly, or annual distributions.



Traditional, Roth & Coverdell Education Savings Account (CESA) Term Certificate

- Minimum deposit of \$500 on the 12-month and 24-month CESA Term Certificate.
- Minimum deposit of \$500 on 12-month and 24-month Traditional and Roth IRA Term Certificate.
- Dividends on Term Certificates are calculated on the daily balance and paid at maturity on terms of less than 12-months.
- Dividends on Term Certificates are calculated on the daily balance and compounded quarterly on terms of 12-months or more.

Roth IRA

The Roth IRA allows participants to withdraw the amount of his/her contributions at any time, without tax and in most cases penalty free. Distribution of earnings will also be tax free provided the individual has been a participant in the Roth IRA for at least five years and the money is distributed after the age of 59 ½ or to buy a first-time home (up to \$10,000), due to the permanent disability of the member, to the beneficiary after the members death. Unlike a Traditional IRA, participants can make contributions for as long as they like and are not required to begin taking distributions at age 70 ½. Participants must have earned income and Modified Adjusted Gross Income must fall within prescribed limits. Those wishing to participate in a Roth IRA by converting their existing Traditional IRA may do so, provided they have a Modified Adjusted Gross income of \$100,000 or less and if married filing a joint tax return. You must pay all taxes owed in the year that the Traditional IRA is converted.

Coverdell Education Savings Account (CESA)

The CESA allows individuals with a Modified Adjusted Gross Income of \$190,000 or less on a joint income tax return or \$95,000 or less on an individual tax return to contribute up to \$2,000 per beneficiary, per year, to a CESA. You can contribute a smaller maximum sum to a CESA dependent on your Modified Adjusted Gross Income provided it is not higher than \$110,000 for single filers or \$220,000 for couples filing jointly.

Contributions to the CESA can be made regardless of any participation in other IRA programs. The contributions are not tax deductible; however, the earnings will be tax free as long as they are used for qualified educational expenses. Contributions can be made to the CESA until the beneficiary reaches the age of 18. If the funds in the CESA are not used for the beneficiary, they can be rolled over to certain family members of the beneficiary. The funds in a CESA must be distributed by the time the beneficiary has reached the age of 30. If the funds have not been distributed or rolled over by age 30, the earnings will be taxable and subject to a 10% IRS penalty tax.

