

# Individual Retirement Accounts

	Who Can Contribute?	How Much Can I Contribute?	Who Can Make Deductible Contributions?	What Are The Tax Advantages?	When Can I Withdraw Without Restrictions?
<b>Traditional IRA</b>	<ul style="list-style-type: none"> <li>Anyone under age 70<sup>1/2</sup> who has income from compensation (or who is filing jointly with a spouse who earns compensation).</li> <li>Anyone who has received a distribution from a qualified retirement plan and decides to roll over the proceeds of the plan into an IRA.</li> </ul>	<ul style="list-style-type: none"> <li>\$5,000 for 2010 - 2011. For owners age 50 and older, your limits increase to \$6,000 for 2010 - 2011</li> <li>Cannot exceed compensation.</li> <li>Reduces contributions that can be made to Roth IRAs.</li> </ul>	<ul style="list-style-type: none"> <li>Fully-deductible contributions:                             <ul style="list-style-type: none"> <li>-Single individuals not active in employer retirement plans</li> <li>-Single individuals active in employer retirement plans with MAGI below defined limits.</li> <li>-Married couples with neither spouse active in an employer retirement plan.</li> <li>-Married individuals active in employer retirement plans with joint tax as long as MAGI* is below defined limits.</li> <li>-Married individual not active in employer retirement plans with joint tax returns with a spouse who is, as long as MAGI* is below defined limits.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Earnings grow tax-deferred until withdrawn.</li> <li>Contributions may be tax-deductible.</li> </ul>	Withdraw penalty-free for any of the following reasons: <ul style="list-style-type: none"> <li>Qualified higher-education expenses.</li> <li>First-time home purchase**.</li> <li>Age 59<sup>1/2</sup>.</li> <li>Disability.</li> <li>Qualifying medical expenses exceeding 7.5% of adjusted gross income.</li> <li>Payment to beneficiaries upon the owner's death.</li> <li>Payment of health insurance premiums while unemployed for 12 weeks or longer. (withdrawals must begin by age 70<sup>1/2</sup>)</li> </ul>
<b>Roth IRA</b>	<ul style="list-style-type: none"> <li>You are eligible if you earn compensation and your MAGI* is less than the defined limits set by Congress. If your MAGI is too high to contribute the annual contribution limit, you may be able to make a smaller contribution.</li> </ul>	<ul style="list-style-type: none"> <li>\$5,000 for 2010 - 2011.</li> <li>For owners age 50 and older, your limits increase to \$6,000 for 2010 - 2011.</li> <li>Cannot exceed compensation.</li> <li>Reduces contributions that can be made to Traditional IRAs.</li> </ul>	<ul style="list-style-type: none"> <li>No one can deduct contributions.</li> </ul>	<ul style="list-style-type: none"> <li>Earnings are tax-free if account is open for five tax years and withdrawn for qualified reason (age 59<sup>1/2</sup>, disability, death, or a first time home purchase**).</li> <li>Not required to start withdrawals at age 70<sup>1/2</sup>.</li> </ul>	Regular contributions can be withdrawn tax-free and penalty free at any time. <ul style="list-style-type: none"> <li>After the account has been opened five tax years, earnings can be withdrawn tax-free and penalty-free for any of these reasons: age 59<sup>1/2</sup>, disability, death, or a first time home purchase**.</li> </ul>
<b>Coverdell Education Savings Accounts (ESA)***</b>	<ul style="list-style-type: none"> <li>Anyone:                             <ul style="list-style-type: none"> <li>- Up to \$95,000 (Single filers)</li> <li>- Up to \$190,000 (Joint filers)</li> </ul> </li> <li>Contributions not allowed after the beneficiary reaches age 18 (except for special needs beneficiaries).</li> <li>Reduced contributions allowed for higher incomes:                             <ul style="list-style-type: none"> <li>-Up to \$110,000 (single filers)</li> <li>-Up to \$220,000 (joint filers)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>\$2,000 per child each year.</li> <li>Limit applies to all Coverdell Education Savings Accounts (ESA) for the same child.</li> </ul>	<ul style="list-style-type: none"> <li>No one can deduct contributions.</li> </ul>	<ul style="list-style-type: none"> <li>Withdrawals for certain qualified education expenses are tax-free.</li> <li>Qualified education expenses included tuition, fees, books, computer equipment and technology required for elementary, secondary and post secondary education.</li> <li>A beneficiary may receive tax-free distributions from a Coverdell ESA in the same year he or she claims the Lifetime Learning or HOPE Scholarship tax credits.</li> </ul>	<ul style="list-style-type: none"> <li>Withdrawals are tax- and penalty-free only for qualified education expenses (earnings are subject to tax and penalty for most other withdrawals).</li> <li>Funds can be transferred from one child's account to an account for another child in the family.</li> <li>Distributions must be completed by the age of 30.</li> </ul>
			<p><i>Not intended as tax advice. Please consult a tax professional.</i></p>		<p>* MAGI-modified adjusted gross income from the federal tax form</p> <p>** Lifetime limit for exemption on first-time home purchase is \$10,000</p> <p>*** Formerly known as the Educational IRA</p>

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