

# Roth IRA

MEMBER  
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The cornerstone of your retirement planning, IRAs allow you to choose from a variety of investment options and earn tax benefits on contributions (Traditional IRA) or withdrawals (Roth IRA).

The Roth IRA is an exciting investment alternative that allows earnings to accumulate tax-free, *and* be withdrawn entirely tax-free at retirement! The Roth IRA does not offer a tax benefit when you contribute, but is a great choice if your anticipated retirement tax bracket may be as high as your current tax bracket. Unlike the Traditional IRA, you do not need to begin taking distributions at age 70 ½ - or ever! This gives you more control over your money and your family's future!

As an additional benefit, up to \$10,000 lifetime benefit of Roth/Traditional IRA (aggregate) savings may be used, penalty free, for first time home purchases. There is no dollar limit or penalty for withdrawals used for higher education expenses provided the expenses are qualified and the withdrawal does not exceed the qualified expenses in a given year.

The individual qualified contribution limit for year 2010 is \$5,000. Those over age 50 may contribute up to \$6,000.

Feature	Roth IRA
<b>Eligibility Requirements</b>	<p>You may contribute at any age as long as you have earned compensation subject to income limits:</p> <p><b>For single filers:</b></p> <ul style="list-style-type: none"><li>• Modified adjusted gross income (MAGI) up to \$105,000 - full contribution</li><li>• MAGI \$105,000 - \$120,000 - partial contribution</li><li>• MAGI \$120,000+ - not eligible</li></ul> <p><b>For married/joint filers:</b></p> <ul style="list-style-type: none"><li>• MAGI up to \$167,000 - full contribution</li><li>• MAGI \$167,001 - \$177,000 - partial contribution</li><li>• MAGI \$177,001+ - not eligible</li></ul>
<b>Key Tax Advantage</b>	Tax-free growth
<b>Maximum Annual Contribution</b>	<p>Under age 50: \$5,000 or 100% of compensation, whichever is less (in aggregate to both a Traditional and a Roth IRA)</p> <p>Age 50 and Over: \$6,000 or 100% of compensation, whichever is less (or aggregate to both a Traditional and a Roth IRA)</p>
<b>Tax Deductible Contributions</b>	No
<b>Tax Treatment of Withdrawals</b>	Distributions of contributions are federally tax free, qualified distributions of earnings are tax-free
<b>10% Early Withdrawal Penalty</b>	Yes, if you are under age 59 ½ and the withdrawal is not for qualified reasons. Plus, your Roth IRA must meet five-year aging requirements
<b>Mandatory Distributions</b>	No requirements to begin distributions at any age during account owner's lifetime

Subject to change at any time without notice.