

# Traditional IRA

MEMBER  
FDIC

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 Traditional IRA is an outstanding way to build your retirement fund year by year, and possibly reduce your current year tax load as well. Because earnings on the Traditional IRA are tax-deferred and your contribution may be tax-deductible from current-year taxes, your funds accumulate faster than they would in a taxed investment.

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. This would reduce your overall retirement fund, but could save you money in the short-run.

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

Feature	Traditional IRA
<b>Eligibility Requirements</b>	You must be under age 70 ½ with earned compensation
<b>Key Tax Advantage</b>	Tax-deferred growth
<b>Maximum Annual Contribution</b>	Under age 50: \$5,000 or 100% of compensation, whichever is less (in aggregate to both a Traditional and a Roth IRA)  Age 50 and Over: \$6,000 or 100% of compensation, whichever is less (or aggregate to both a Traditional and a Roth IRA)
<b>Tax Deductible Contributions</b>	Yes, subject to retirement plan participation status and Maximum Adjusted Gross Income (MAGI) limits  Full deductibility of a \$5,000 (under age 50) or a \$6,000 (age 50-70½) contribution for 2008 is available to individuals who do not participate in an employee sponsored retirement plan, and active participants in a retirement plan whose 2010 MAGI is <b>\$89,000 or less (joint) and \$55,000 or less (single); partial deductibility for up to \$109,000 MAGI (joint) and \$65,000 MAGI (single)</b>
<b>Tax Treatment of Withdrawals</b>	Any earnings and deductible contributions subject to tax upon withdrawal
<b>10% Early Withdrawal Penalty</b>	Yes, if you are under age 59 ½ and the withdrawal is not for qualified reasons such as the death or disability of the account owner
<b>Mandatory Distributions*</b>	Minimum required distributions must start at age 70 ½

\* Certain distribution requirements will apply after the death of Traditional IRA owner.

Subject to change at any time without notice.