

IRAs AND ESAs AT A GLANCE

	TRADITIONAL IRA	ROTH IRA	COVERDELL ESA (Formerly Education IRA)																		
QUALIFICATIONS	Must have earned income at least equal to the contribution and not have reached age 70 1/2 by the end of the year.	Must have earned income at least equal to the contribution. There are no age restrictions.	The designated beneficiary must be an individual under the age of 18. The age 18 limitation will not apply to any designated beneficiary with special needs.																		
MAXIMUM CONTRIBUTIONS	<p>Taxable years</p> <p>2008 and 2009.....\$5,000*</p> <p><small>*May be adjusted annually for inflation in \$500 increments after 2009 as determined by the IRS.</small></p>	<p>Taxable years</p> <p>2008 and 2009.....\$5,000*</p>	<p>\$2,000 per beneficiary.</p> <p>Contributions do not count against the limits for IRAs.</p>																		
CATCH-UP (50 & OVER)	2008 and 2009.....\$1,000 additional	2008 and 2009.....\$1,000 additional																			
TAX STATUS OF EARNINGS	Tax-deferred until withdrawal.	Not taxed. Earnings grow tax-free.	Not taxed. Earnings grow tax-free.																		
RESTRICTIONS (BASED ON ADJUSTED GROSS INCOME)	<p>Yes, if active participant in employer retirement plan.</p> <p>DEDUCTION PHASEOUTS</p> <table border="0"> <tr> <td></td> <td><u>SINGLES</u></td> <td><u>MARRIED JOINT</u></td> </tr> <tr> <td>2008</td> <td>\$53,000-\$63,000</td> <td>\$85,000-\$105,000</td> </tr> <tr> <td>2009</td> <td>\$55,000-\$65,000</td> <td>\$89,000-\$109,000</td> </tr> </table>		<u>SINGLES</u>	<u>MARRIED JOINT</u>	2008	\$53,000-\$63,000	\$85,000-\$105,000	2009	\$55,000-\$65,000	\$89,000-\$109,000	<p>CONTRIBUTION PHASEOUTS</p> <table border="0"> <tr> <td></td> <td><u>SINGLES</u></td> <td><u>MARRIED JOINT</u></td> </tr> <tr> <td>2008</td> <td>\$101,000-\$116,000</td> <td>\$159,000-\$169,000</td> </tr> <tr> <td>2009</td> <td>\$105,000-\$120,000</td> <td>\$166,000-\$176,000</td> </tr> </table> <p>The maximum income for married couples filing separately is \$10,000.</p>		<u>SINGLES</u>	<u>MARRIED JOINT</u>	2008	\$101,000-\$116,000	\$159,000-\$169,000	2009	\$105,000-\$120,000	\$166,000-\$176,000	<p>Yes, allowed contributions phase out between \$95,000-\$110,000 for singles and married filing separately, and \$190,000-\$220,000 for married couples filing jointly.</p>
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TAX DEDUCTION	Yes. Contributions up to the limit are fully tax-deductible if you are not an active participant in a retirement plan. Otherwise, phaseout rules apply.	No.	No.																		
PENALTIES FOR EARLY WITHDRAWAL	<p>None if:</p> <ul style="list-style-type: none"> • Over 59 1/2 • Death or disability • Qualified medical/college expenses • Certain health insurance • 1st time home purchase (up to \$10,000) • Due to IRS levy • Periodic payments 	<p>None if:</p> <ul style="list-style-type: none"> • Account established for 5 years or more • Over 59 1/2 • Death or disability • Qualified medical/college expenses • Certain health insurance • 1st time home purchase (up to \$10,000) • Due to IRS levy • Periodic payments 	<p>None if:</p> <ul style="list-style-type: none"> • For payment of qualified education expense, including elementary and secondary schools (K-12th) 																		
REQUIRED DISTRIBUTIONS	Must begin by April following year participant turns 70 1/2.	Only after death of the participant.	Must be complete 30 days after beneficiary reaches age 30 or dies.																		
CONTRIBUTIONS AFTER AGE 70 1/2	Not allowed.	Allowed.	Allowed.																		

INDIVIDUAL RETIREMENT ACCOUNTS

Your retirement savings are
NCUA insured up to \$250,000



SF35-609

RETIREMENT SAVINGS INSURED TO \$250,000!

This summary of tax information provided is for informational purposes only and should not be constituted as either tax or legal advice. Please contact your tax advisor regarding your specific tax situation.

An Individual Retirement Account (IRA) is an excellent tool for retirement savings. Unlike most investments, depending on the type of IRA you choose, contributions may be tax-deductible and will grow either tax-deferred or tax-free.

A Coverdell Education Savings Account (ESA) (formerly an Education IRA) is a great way for parents, grandparents and others to help meet the rising costs of a student's education.

■ CONTRIBUTION DEADLINES

Traditional IRAs, Roth IRAs and Coverdell Education Savings Accounts must be opened and/or funded by the federal tax filing deadline each year in order to be eligible for tax benefits. For the 2009 tax year, the federal tax filing deadline is Thursday, April 15, 2010.

■ TRADITIONAL IRA

The annual contribution limit is \$5,000 for 2009. After 2009, the contribution limit may be adjusted annually for inflation in \$500 increments as determined by the IRS. The annual limit applies to any combination of IRA plans other than the ESA. Contributions are fully tax-deductible if you are not an active participant in an employer retirement plan or your income does not exceed certain limitations. Investments grow on a tax-deferred basis. Distributions must begin at age 70 1/2. Contributions and earnings are taxed only upon withdrawal.

■ ROTH IRA

As long as you have earned income, you can establish and contribute to a Roth IRA even after age 70 1/2. While contributions are not tax-deductible, contributions and earnings can be withdrawn tax-free with limitations (see chart), and unlike traditional IRAs, you are not required to begin taking required minimum distributions after reaching age 70 1/2. By converting your traditional IRA to a Roth IRA, you can enjoy tax-free withdrawals with limitations (see chart). However, the amount you convert is subject to income tax now. Income restrictions apply.

■ MAKING UP FOR LOST TIME

Individuals who have reached age 50 by the end of the year are able to make additional catch-up contributions of \$1,000 per year to their traditional or Roth IRA.

■ EDUCATION SAVINGS ACCOUNT

Total annual contribution amounts cannot exceed \$2,000 per beneficiary.

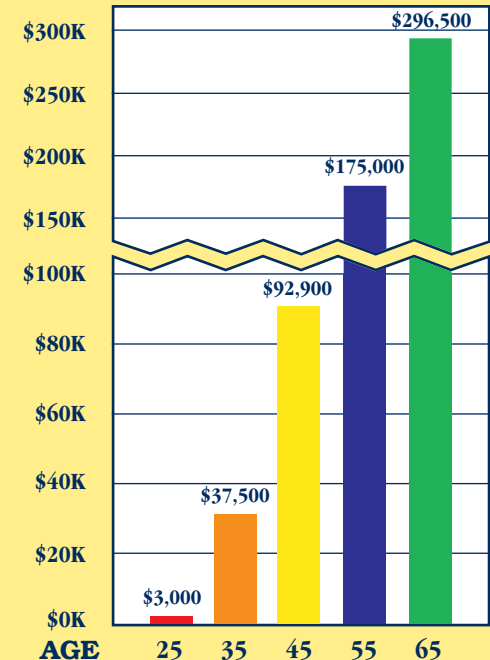
While there is no tax deduction for amounts contributed to a Coverdell Education Savings Account, earnings grow tax-free. And your ESA can be used to pay qualified elementary school and secondary school expenses as well as those for higher education.

NOTE: Coverdell Education Savings Accounts are not retirement accounts and are insured to \$250,000* by federal share insurance.

*Authorized by Congress through the end of 2013.

HOW YOUR IRA CAN GROW

This example shows the value of starting early and contributing regularly. It is based on an annual contribution of \$3,000 and a dividend rate of 4%.



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency