

	Regular IRA	Roth IRA
<b>Tax Deductible Contributions</b>	Fully deductible if neither self or spouse is an active participant in a employer plan. If an active participant in an employer plan : fully deductible for single filer with adjusted gross income <=\$61,000 or married couple filing joint return with adjusted gross income <=\$98,000	No
<b>Tax free Distributions</b>	No	Yes, if in a Roth IRA at least 5 years and the money is distributed: •after the age of 59 ½ <b>OR</b> •for a first time home purchase •due to permanent disability •to a beneficiary in the case of death
<b>Maximum Contribution*</b>	\$5,500 for individuals \$11,000 for married couples	\$5,500 for individuals \$11,000 for married couples
*An individual can contribute to both a Regular IRA and a Roth IRA. However, the total contributions may not exceed \$5,500.		

**METRO FEDERAL CREDIT UNION**  
2440 E. RAND ROAD  
ARLINGTON HEIGHTS IL 60004

•  
MAIN (847) 670-0456

•  
FAX (847) 670-0401

•  
TDD (847) 670-9640

•  
www.mcu.org

•  
accountservices@mcu.org

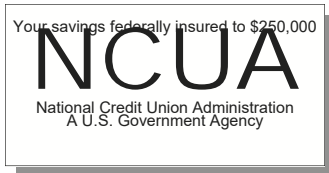
**BUSINESS HOURS**

**LOBBY**

Monday-Friday 8:00am - 5:00pm  
Saturday 8:00am - 1:00pm

**DRIVE-THRU**

Monday-Friday 8:00am - 5:00pm  
Saturday 8:00am - 1:00pm



# ROTH IRA

## 2016



- ▶ **ROTH IRA OVERVIEW & WITHDRAWAL LIMITATIONS**
- ▶ **CONTRIBUTION FAQ'S**
- ▶ **INVESTMENT OPTIONS**



# Roth IRAs

## Account overview

Unlike contributions to Traditional IRAs, contributions to Roth IRAs are not tax deductible. Instead, earnings grow tax-free and you pay no taxes when you withdraw the money provided it's been in the account at least five years and you meet any of the following criteria:

- You are over age 59½
- You become disabled
- You die, and the funds are paid to your beneficiary
- Funds are used for a first-time home purchase (\$10,000 lifetime limit)

## How much can I contribute to IRAs each year?

Most people can currently contribute up to \$5,500 or 100% of your taxable compensation for the year, whichever is less. The \$5,500 limit applies to total contributions to all IRAs in the person's name (Traditional and Roth).

Singles can contribute up to \$5,500 annually (for 2016) if income is less than \$118,000.

Contributions for singles starts to phase out as income reaches above \$118,000.

Income limits run from \$184,000 to \$194,000 for married couples filing jointly.

With Roth IRAs you don't have to begin withdrawing money at age 70½, as is the case with traditional IRAs. You can leave your funds in your accounts, and earnings will grow tax free for as long as you like.

## Can I contribute more if I am 50 years of age or older?

If you reach age 50 before or during the year, you are permitted to play "catch-up" with your retirement savings by contributing extra amounts to your IRAs for that year. The "catch-up" provisions apply to anyone who meets the age requirement and is otherwise eligible to contribute to an IRA.

## What if I don't have \$5,500?

The law doesn't require a minimum contribution. You can start an IRA at METRO Federal Credit Union with as little as \$100. If your taxable compensation is under \$5,500, you can contribute all or part of it to an IRA.

## When can I contribute?

You can open an IRA, or contribute to an existing IRA, at any time. In order to apply to a given tax year, contributions may be made from January 1st of that year up to the tax filing day of the following year. The tax filing day is the normal tax deadline, even if you have received an extension beyond that date for filing your tax return. For tax year 2016, you can make contributions until April 15, 2017.

## Can I transfer a Roth IRA from another fund company to METRO Federal Credit Union?

You can transfer a Roth IRA, or Traditional IRA, directly from one mutual fund company to another. To directly transfer an IRA from another company to METRO Federal Credit Union, please visit our [Resource Center](#) at [www.mcu.org](http://www.mcu.org) and select "IRA Transfer Form."

## What is a rollover?

Examples of a rollover are moving assets from a Roth IRA into another Roth IRA. You cannot roll over money from a 401(k) or 403 (b) plan into a Roth IRA, but you may convert your rollover IRA into a Roth IRA if you are eligible to do so. For more information, including rollover contribution time limits, see [IRS Publication 590](#).



We offer exceptional flexibility in meeting your investment needs. Once you have selected the type of IRA that's best for you, choose from our two investment options.

## IRA Savings

- Offer competitive variable rate
- Dividends compounded and paid monthly
- No minimum investment amount
- Additional deposits permitted at any time, up to your maximum yearly contribution
- Deposits can be conveniently made through payroll deduction
- Available as Roth IRA or Traditional IRA



## IRA Certificates

- Offer competitive fixed rates
- Dividends compounded and paid monthly
- \$1,000 minimum balance requirement for Roth and Traditional IRAs
- Savings federally insured up to \$250,000.
- At METRO Federal Credit Union, your IRA funds are safe. That's because each of your IRAs is insured up to \$250,000 by the National Credit Union Administration, a U.S. government agency.

For more information or to open your IRA, please call our Member Services Department at (847) 670-0456 or visit us online at [www.mcu.org](http://www.mcu.org)

The information provided here is general information only. For more detailed answers to any legal or technical questions, please contact your attorney and/or CPA.

Year	Contribution	Catch-Up Contribution Limit	Total Contribution (50+ yrs) Limit
2015	\$5,500	\$1,000	\$6,500
2016	\$5,500	\$1,000	\$6,500