



Individual Retirement Accounts

Opening Your IRA

To open an IRA, contact NWFCU by phone, in person, by mail, or via our Internet information request form. See the back panel of this brochure for our contact information.

Current IRA Rates

Rates for Regular Share IRAs are subject to change monthly, while IRA Certificate rates are subject to change weekly. You can find current IRA dividend rates in all of the following places:

- NWFCU website: www.nwfcu.org
- NorthwestXpress 24-hour Bank-by-Phone service
- NWFCU's Call Center: **703-709-8901** or **1-866-709-8901 (toll-free)**
- Rate boards in all NWFCU branches

No Fees

NWFCU charges no administrative or annual fees relating to your IRA(s), however, penalties for early withdrawals may apply for IRA certificates.

More IRA Information

If you have questions about any type of IRA, call our IRA Specialist at **703-709-8900** (**1-800-336-3384** toll-free), **ext. 6289**. For specific financial advice, please consult your tax advisor. Note that federal regulations prohibit the use of IRA funds as security for loans.

Call Center

Hours

Mon-Fri: 7:00 am-7:00 pm
Saturday: 8:00 am-1:00 pm

Phone

703-709-8901
1-866-709-8901

Fax

703-925-5113

TTY

703-709-8919

Web Service

Website

www.nwfcu.org

Mobile

go.nwfcu.org

Email

nwfcu@nwfcu.org

ABA Routing Number

256075025

Direct deposit, inbound wire transfers, ACH transactions



Chantilly | Herndon | Leesburg | Manassas | Vienna
Gainesville (Spring 2012)



CU SERVICE CENTERS
The Member-Friendly Financial Network



Federally insured by NCUA.

All information is current as of 11/2011 and is subject to change without notice.



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Your Lifetime Financial Partner

Invest in Your Future

Good financial management includes plans for your retirement. It's never too early to start an Individual Retirement Account (IRA) to help secure your financial future, and **Northwest Federal Credit Union** (NWFCU) offers many flexible options at competitive rates.

Types of IRAs

Traditional IRA

A Traditional IRA is a good option if you want to save on taxes now. Contributions may be tax-deductible, and taxes are not paid until you withdraw the funds in retirement.

Roth IRA

If you are interested in saving on taxes in retirement, a Roth IRA allows for tax-free earnings, but your contributions are not tax-deductible.

Coverdell Education Savings Account (ESA)

Contributions to an ESA are not tax-deductible, however, earnings are tax-free if withdrawn for qualified elementary, secondary, and post-secondary education expenses.

Simplified Employee Pension (SEP) IRA

NWFCU is also pleased to offer the SEP IRA to benefit self-employed individuals and small-business owners. SEP IRAs are easy to establish and maintain. There are no mandatory contributions or annual tax filings and, in addition to potential tax credits, tax-deductible contributions can help decrease current taxes while building retirement assets. Consult NWFCU's IRA Specialist for more information, or consult your tax advisor to learn if a SEP is right for you or your business.

IRA Account Options

Regular Share

Contribute to your NWFCU IRA at any time, or make regular deposits conveniently with automatic transfer. Your dividends are compounded daily and credited to your account monthly.

Flexible IRA Certificate

NWFCU's flexible IRA certificates offer excellent dividend rates for all types of IRAs. Choose any term—from 90 days to 5 years—that meets your needs. A \$500 minimum deposit is required for terms over 366 days. For terms less than 366 days, you must deposit at least \$2,500. NWFCU also offers jumbo certificates for deposits of \$100,000 or more. Dividends are posted and compounded daily for terms greater than 366 days and are paid upon maturity for terms less than 366 days. Rates vary according to deposit amount—generally, the larger the deposit, the higher the rate. Dividend rates are subject to change weekly and remain fixed for the term of the certificate.

Bonus Rates for Heritage Club Members

The Heritage Club, available to members age 62 and older who have a combined NWFCU savings and loan balance of \$50,000 or more, can earn bonus rates* on certificates, including IRA certificates. For terms of one year or longer, Heritage Club members earn a 0.10% bonus on certificates of deposit ranging from \$50,000 to \$99,999.99 and 0.25% for deposits of \$100,000 or more. The Heritage Club is free and easy to join—simply contact our Call Center or stop by a branch.

IRA Contributions

Traditional and Roth IRAs

- Contribution limits are \$5,000 for age 50 and under and \$6,000 for ages 51 and older.
- Contributions to a Traditional IRA may be tax-deductible, depending on your income.
- Contributions to a Roth IRA are not tax-deductible.
- Spouses may contribute to an IRA even if the other spouse has a qualified retirement plan.
- If you are over 50, you are eligible to make a catch-up contribution to your IRA. For specific contribution amounts, contact NWFCU's IRA Specialist or visit www.nwfcu.org.

Coverdell Education Savings Accounts

- Depending on your income, parents, grandparents, or others may contribute up to \$2,000 per year, per child.
- Contributions are not tax-deductible.

IRA Insurance

Regular Share IRAs and IRA Certificates are insured to at least an aggregate amount of \$250,000 by the National Credit Union Administration (NCUA), an agency of the federal government. The IRA insurance coverage is separate from the NCUA insurance for your other NWFCU savings accounts.

IRA Withdrawals

Traditional IRA

- Withdrawals may begin at age 59½ and *must* begin by age 70½.
- Early withdrawals may be subject to an IRS penalty.
- Withdrawals may be penalty-free if used for qualified higher education expenses, a first-time home purchase, or certain medical expenses.

Roth IRA

- After the account has been opened for five years, earnings can be withdrawn tax- and penalty-free for any of these reasons:
 - If you've reached age 59½
 - Disability
 - Death
- Withdrawals of contributions may occur tax-free at any time.
- Early withdrawals of earnings may be subject to taxes for that year plus an IRS penalty.

Coverdell ESA

- Withdrawals may be made for qualified education expenses.
- Withdrawals made for purposes other than education expenses will be fully taxable for that year and subject to a 10% penalty.

*Heritage Club certificate bonus rates are not available on Add-on Certificates or any other special advertised offers.

