



Opening an IRA

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

Current IRA Rates

You can find current IRA dividend rates in all of the following places:

- Northwest website: nwfcu.org
- Northwest Member Service Center: **703-709-8900** or **844-709-8900** (toll-free)

No Fees

Northwest charges no administrative or annual fees related 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 Specialists at **703-709-8900 (844-709-8900 toll-free)**. For specific financial advice, please consult your tax advisor. Note that federal regulations prohibit the use of IRA funds as security for loans.



Scan the QR code to learn more and open an IRA today!

Member Service Center

Hours

M-F: 7 am-7 pm ET
Sat: 8 am-1 pm ET

Phone

703-709-8900
844-709-8900 (toll-free)

Fax

703-925-5113

TTY

703-709-8919

Web Services

Website

nwfcu.org

Email

nwfcu@nwfcu.org

ABA Routing Number

256075025

Direct deposit, inbound wire transfers, ACH transactions



To find a branch or free ATM near you, visit nwfcu.org/locations



 **Insured by NCUA**
All information is current as of 8/2022 and is subject to change.



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Individual Retirement Accounts



Together, we serve and inspire to transform lives.

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Contributions to an ESA are not tax-deductible, however, earnings are tax-free if withdrawn for qualified elementary, secondary, and post-secondary education expenses.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

Designed to benefit self-employed individuals and small business owners, SEP IRAs are easy to establish and maintain. Annual contributions are not mandatory, there are no annual tax filings, and in addition to potential tax credits, tax-deductible contributions can help decrease current taxes while building retirement assets. Consult Northwest's IRA Specialist for more information, or consult your tax advisor to learn if a SEP is right for you or your business.

IRA Options

Regular Savings

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

IRA Certificate

Northwest's IRA certificates offer excellent dividend rates for all types of IRAs. Choose any term—from 90 days to five years—that meets your needs. A \$1,000 minimum deposit is required for all certificates other than Youth Add-on Certificates. Northwest also offers jumbo certificates for deposits of \$250,000 or more. Dividends are posted monthly and compounded daily. Rates vary according to deposit amount. Dividend rates remain fixed for the term of the certificate.

IRA Contributions

Traditional and Roth IRAs

- Annual contribution limits are \$6,000 for age 49 and under and \$7,000 for ages 50 and older.
- Contributions to a Traditional IRA may be tax-deductible, depending on your income. Consult your tax professional regarding your individual circumstances.
- Contributions to a Roth IRA are not tax-deductible.



IRA Share Insurance

Regular Savings 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. IRAs are insured separately from the NCUA insurance coverage for your other Northwest savings accounts.

Coverdell ESA

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

IRA Withdrawals

Traditional IRA

- Withdrawals may begin at age 59½ and must begin by age 72.
- 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.