

IRAs that meet your needs

Choose a Roth IRA

if you don't need a tax break now. You can withdraw regular contributions any time tax-free and penalty-free, and you don't have to take distributions at age 70 1/2.

Choose a Traditional IRA

if you want a tax deduction now, or if you think you'll be in a lower tax bracket when you retire.

Save in a Coverdell ESA

to fund a wide range of education expenses.

New IRA contribution limits

For 2019, the maximum you can contribute to all of your traditional and Roth IRAs is the smaller of:

- \$6,000 (\$7,000 if 50 or older) or
- Your taxable compensation for the year

The IRA contribution limit does not apply to:

- Rollover Contributions
- Qualified reservist repayments

Financial Effect of IRA Contribution Change

50 year old worker, 20 year investment horizon

	Without Catch-up	Including Catch-up
Total Contributions	\$ 55,000	\$ 60,500
Account value at age 70	\$124,227	\$140,426
Total investment return	\$ 69,227	\$ 79,926
Investment return increase due to "catch-up" provisions		\$ 10,699

Assumed investment return age 50 to 64 7%

Assumed investment return age 65 to 69 5%

Source: CUNAs economic & statistic department

Mankato-Uptown Office

1640 Adams Street
P.O. Box 4399
Mankato, MN 56002

Mankato-Downtown Office

100 Memorial View Court
P.O. Box 4399
Mankato, MN 56002

Lobby Hours

Monday - Friday

9:00AM-5:00PM

Saturday (Uptown Only)

8:00AM-12:00PM

Drive-up Hours

Monday - Thursday

7:30AM - 5:30PM

Friday

7:30AM - 6:00PM

Saturday

8:00AM-Noon

Phone Numbers

Office: (507) 387-3055

Toll Free: (800) 247-0522

Fax: (507) 387-5235

A.R.T: (507) 387-3088

A.R.T. Toll Free: (877) 886-9100

Lost/Stolen Card: (800) 234-5354

Email

loan@mnvalleyfcu.coop

msa@mnvalleyfcu.coop

info@mnvalleyfcu.coop

www.mnvalleyfcu.coop



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**Greater Mankato's Community
Credit Union Since 1934**

Serving Blue Earth,
Nicollet & LeSueur Counties

Individual Retirement Accounts (IRA)

It's never too soon to think about retirement, and a Minnesota Valley Federal Credit Union IRA (Individual Retirement Account) is one of the easiest ways to save for your retirement years. We offer both Traditional and Roth IRAs and we pay competitive dividends on each. We also offer Coverdell IRAs, which can be used to save for college expenses. Our IRAs offer various tax advantages, as allowed by law. So, check with your tax advisor to determine which one is right for you.

Retirement Planning Tools

Between longer life expectancies and fewer employers offering traditional pension plans, it's a good idea to take an active role in planning for retirement.

Additional Insurance for IRAs

IRA deposits in your credit union are insured to an *additional* \$250,000 per member by the National Credit Union Administration, an agency of the U.S. federal government.

Are you on the right retirement road?

Just how confident are you that you'll have enough money set aside for retirement? Do you feel good about how you're investing the dollars you've already saved? Test drive your retirement plan and find out where you're at with our Retirement Road Test today!

For access to these retirement tools, visit our website at:

www.mnvalleyfcu.coop/retirement-accounts

	Roth IRA	Traditional IRA	Coverdell Education Savings Account (ESA)
Contribution limits for 2019	\$6,000; \$7,000 if age 50 or older	\$6,000; \$7,500 if age 50 or older	\$2000 per child each Limit applies to all ESAs for the same child
Income Limits	Single tax filers with modified AGIs of less than \$137,000; married couples filing jointly with modified AGIs of less than \$203,000	Anyone who is not covered by an employer-provided retirement plan can deduct the full IRA contribution, regardless of income.	Modified adjusted gross income must be less than the limits set by congress.
Tax Treatment	No tax break for contributions; tax-free earnings and withdrawals	Tax deduction in contribution year; ordinary income taxes apply on withdrawals	Withdrawals for certain qualified education expenses are tax-free
Withdrawal Rules	Contributions can be made at any time, tax-free and penalty free. After five years and age 59 1/2, all withdrawals (including contributions and earnings) are tax free. Withdrawals are not required during account holder's lifetime.	Contribution and earnings can be withdrawn penalty free, beginning at age 59 1/2. Distributions must begin at age 70 1/2.	Contributions are not allowed after the beneficiary reaches age 18 (except for special needs beneficiaries). Money must be used (or transferred to another beneficiary) before the child turns 30.
Extra Benefits	After five years, up to \$10,000 can be withdrawn penalty-free to cover first time home buyer expenses.	Up to \$10,000 can be withdrawn penalty-free to cover first-time home buyer expenses, but taxes are due on distribution. Contributions will lower taxpayer's AGI, potentially qualifying them for other tax incentives.	You can change the beneficiary to another family member once per year. Qualified education expenses include tuition, fees, books, and computers required for elementary, secondary and post-secondary education.