

IRA ACCOUNTS 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.

For 2023, the maximum you can contribute to all of your traditional and Roth IRAs is the smaller of: \$6,500 (\$7,500 if 50 or older) or your taxable compensation for the year.

The IRA contribution limit does not apply to:
· Rollover Contributions · Qualified reservist repayments



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05/23



Lobby Hours

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9:00AM-5:00PM
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Drive-up Hours

Monday - Friday
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Saturday
8:00AM-Noon

Phone Numbers

Office: (507) 387-3055
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A.R.T: (507) 387-3088
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Individual Retirement Account

Serving Blue Earth, Brown, Nicollet, LeSueur, Watonwan & Waseca 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 expectancy 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

Contribution limits for 2023

Roth
\$6,500 \$7,500 if age 50 or older

Traditional
\$6,500 \$7,500 if age 50 or older

Coverdell Education Savings Account
\$2,000 per child Limit applies to all ESAs for the same child

Income Limits

Single tax filers with modified AGIs of less than \$129,000; married couples filing jointly with modified AGIs of less than \$218,000

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

Contributions and earnings can be withdrawn penalty free, beginning at age 59 1/2. Distributions must begin at age 73

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 postsecondary education