

*Now is the time.*

No matter what stage you're at in life, saving now with an IRA from CLFCU can help get you set up for a comfortable future.

Whether you're just beginning your career, planning to start a family, or even approaching retirement, it's never too early or too late to start building your nest egg and saving for your future.

To get started, ask us about our Traditional or Roth IRA options!

**Keep On Growing**

Even if you are quickly approaching your retirement or have already retired, you have options. Consider increasing your annual contributions (if eligible) or rolling over your retirement plan assets to an IRA to get the most out of saving.

A competent tax advisor can help you examine your tax outcome and growth potential to help you make the best possible decision.



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*Individual Retirement Account*

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# About

An Individual Retirement Account (IRA) is a retirement savings vehicle in which you can set aside money to be invested and generate earnings. So you're not just saving money, you're growing your savings.

## Pick One or Pick Both

Whether you invest in a Traditional IRA or a Roth IRA (or both) you'll enjoy the flexibility, accessibility, and tax benefits that both offer.

Note that the "R" in IRA stands for retirement, which is the main purpose for having an IRA. But the decision of whether to save with an IRA may not be based solely on retirement. Other reasons for having an IRA may come into play.

## Can I Contribute?

**Roth:** You are eligible to contribute if you earn compensation or file a joint tax return with a spouse who earns compensation, and your modified adjusted gross income (MAGI) is less than or within the defined limits.

**Traditional:** You are eligible to contribute if you earn compensation or file a joint tax return with a spouse who earns compensation.



# It's your future...

## What's the difference?

Traditional IRA contributions are often tax-deductible, so Traditional IRA distributions are taxable and subject to an early distribution penalty tax. The early distribution penalty tax applies if you are under age 59 1/2 and do not meet one of the IRS penalty exceptions.

Roth IRA contributions, on the other hand, are not tax-deductible, so any contribution amount that you withdraw from your Roth IRA will not be taxed or penalized at any time or for any reason. If you meet certain requirements, the earnings in your Roth IRA will be tax- and penalty-free.

You may want to consult a competent tax advisor when considering whether a Traditional or Roth IRA will best suit your needs.

## Start Early

Although it's never too late to save for your retirement, you will get more from your savings by beginning early. The more time you have to save with an IRA, the greater the power of compounding interest and its effect on your future.

## Helpful Resource

<https://www.irs.gov/retirement-plans>

## Enjoy a Growth Spurt

To give you an idea of just how valuable saving with an IRA can be at any stage in life, the charts below illustrate how your balance can accumulate with steady, annual IRA contributions. Note the differences between growth depending on when you start saving and the interest rate.

### \$2,000 Annual Contributions

Years to Retirement	Interest Rates			
	3%	5%	7%	10%
5	\$ 10,937	\$ 11,604	\$ 12,307	\$ 13,431
10	23,616	26,414	29,567	35,062
15	38,314	45,315	53,776	69,899
20	55,353	69,439	87,730	126,005
25	75,106	100,227	135,353	216,364
30	98,005	139,522	202,146	361,887
35	124,552	189,673	295,827	596,254
40	155,327	253,680	427,219	973,704

### \$5,000 Annual Contributions

Years to Retirement	Interest Rates			
	3%	5%	7%	10%
5	\$ 27,342	\$ 29,010	\$ 30,766	\$ 33,578
10	59,039	66,034	73,918	87,656
15	95,784	113,287	134,440	174,749
20	138,382	173,596	219,326	315,012
25	187,765	250,567	338,382	540,909
30	245,013	348,804	505,365	904,717
35	311,380	474,182	739,567	1,490,634
40	388,316	634,199	1,068,048	2,434,259