

Travis Credit Union

Roth IRA

For a better financial future



Live better

Travis Credit Union is focused on helping our members live better and achieve their financial goals at every stage of life. That's why we offer an assortment of products to help you plan for all your financial needs. When it comes to retirement, an Individual Retirement Account (IRA) is a great way to save and supplement your income in your retirement years. Simply put, an IRA is a savings account that offers tax breaks and compound interest which help your earnings grow even faster. The specific tax benefit will depend on which IRA you choose, and your personal tax situation.*

What is a Roth IRA?

A Roth IRA is an individual retirement account designed to allow individuals to save money with the benefit of receiving a tax break during their retirement years. Contributions are not tax-deductible, however, withdrawals of the earnings are generally tax-free when taken for a qualified reason.

Am I eligible for a Roth IRA?

Contributions can be made to a Roth IRA, regardless of age, based on the eligibility limits listed below:

- IRA owner (or spouse) must have earned income
- Modified Adjust Gross Income (MAGI) cannot exceed the limits based on tax filing status (See the MAGI Limits chart to the right)

Do I get a tax deduction for my contributions?

Contributions to a Roth IRA are not tax deductible. If you are looking for an immediate tax break by being able to deduct your IRA contributions, you might consider a Traditional IRA. Please consult your tax professional for specific recommendations based on your individual tax needs.*

How much can I contribute?

Contributions can be made to a Roth IRA of up to 100 percent of your earned income or the annual contribution limit as noted in the chart below, whichever is less. This is an aggregate total between any Traditional and/or Roth IRA contributions. In addition, your Modified Adjust Gross Income (MAGI) cannot exceed certain limits (shown below). The IRS reviews the contribution limits annually and adjusts if necessary to keep in line with inflation and the cost of living.

IRA Contribution Limit	\$7,000+
IRA Contribution Limit over age of 50	\$8,000+

*cannot exceed 100% of earned income

MAGI Chart

If your filing status is ...	And your MAGI is ...	Then you can contribute ...
Married filing jointly or qualified widow(er)	Less than \$230,000	Up to \$7,000 (\$8,000 if you are over the age of 50)
	\$230,000 or greater, but less than \$240,000	A reduced amount
	\$240,000 and greater	Zero
Married filing separately and you lived with your spouse at any time during the year	Less than \$10,000	A reduced amount
	\$10,000 or greater	Zero
Single, head of household, or married filing separately and you did not live with your spouse at any time during the year	Less than \$146,000	Up to \$7,000 (\$8,000 if you are over the age of 50)
	\$146,000 or greater, but less than \$161,000	A reduced amount
	\$161,000 or greater	Zero

When is the deadline for contributing to a Roth IRA?

The deadline for regular and catch-up IRA contributions is your federal income tax filing due date, excluding extensions (usually April 15th).

What are the rules regarding distributions?

- **Early Withdrawal Penalties** – Roth IRA distributions of contribution amounts are not subject to penalty, regardless of age or whether an exception applies. Distributions of the earnings may be subject to penalty, depending on whether the distribution is considered qualified. To be a qualified distribution, five years must have elapsed since the first Roth IRA contribution was made, **and** you are over 59½, permanently disabled, a first time home buyer, etc. For a complete list of exceptions to penalty on early distributions, visit www.irs.gov.
- **Taxation of Withdrawals** – Roth IRA distributions of contributions are non-taxable. Earnings may be subject to tax, depending on whether the distribution is considered qualified.
- **Mandatory Withdrawals** – You are not required to take distributions from your Roth IRA. Assets held in a Roth IRA are not subject to the age 72 required minimum distributions.

What happens to my IRA in the event of my death?

In the event of your death, your named beneficiary(ies) will be notified and receive the rights to the balance of your Roth IRA. Distributions to your beneficiary(ies) are tax free and penalty free. There are several options available to your beneficiary(ies) on how the funds can be disbursed based on their relationship and age.

How do I open a Roth IRA?

Learn more about the features and benefits of a Roth IRA by stopping by any of our branches during normal business hours or calling our Member Service Center at **(800) 877-8328**.

Turn to Travis for all your financial needs and live better.

**This brochure is intended to provide general information on federal tax laws governing Roth IRAs. It is not intended to provide legal advice or to be a detailed explanation of the rules or how such rules may apply to your individual circumstances. For specific information, you are encouraged to consult your tax or legal professional. IRS Publication 590, Individual Retirement Arrangements (IRAs), and the IRS's web site, www.irs.gov, may also provide helpful information.*

Mailing & Shipping

Mailing Address

Travis Credit Union
P.O. Box 2069
Vacaville, CA 95696

Deposits & Loan Payments Only

Travis Credit Union
P.O. Box 2540
Vacaville, CA 95696

Shipping & Overnight Mail

Travis Credit Union
One Travis Way
Vacaville, CA 95696

Account Access & Information

Web Site Address

www.traviscu.org

Call-24 Phone Banking

(707) 449-4700 or (800) 578-3282

Member Service Center

Account Assistance and Information

(707) 449-4000 or (800) 877-8328

PhoneLoan™

(707) 451-5350 or (800) 877-8328

Home Loan Center

One Travis Way, Vacaville, CA 95687
(707) 469-2000 or (888) 698-0000

Debit/Credit Card Fraud Information

(707) 449-4000 or (800) 877-8328

Everyone who lives, works, worships or attends school in Alameda, Colusa, Contra Costa, Merced, Napa, Placer, Sacramento, San Joaquin, Sonoma, Solano, Stanislaus or Yolo County is eligible to join. Certain membership eligibility requirements may apply.

Federally insured by NCUA.

© 2024 Travis Credit Union. All rights reserved.
TCU-1082 (01.24)