

Travis Credit Union

Traditional 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 Traditional IRA?

Traditional IRAs are designed to allow individuals to save for their retirement while giving them a tax break now. The idea is to give people the opportunity to relieve some tax liability during their working years and defer it until retirement when they are generally in a lower tax bracket. Contributions are generally tax-deductible depending on your income levels and tax filing status.

Am I eligible for a Traditional IRA?

Contributions can be made to a Traditional IRA based on the eligibility requirements below:

- IRA owner (or spouse) must have earned income

Do I get a tax deduction for my contributions?

Contributions to a Traditional IRA may be partially or fully tax deductible depending on your income level and whether or not you are an active participant in an employer-sponsored retirement plan. The ability to deduct your contributions may change each year depending on

your personal situation and may require some additional forms when filing your taxes. 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 Traditional 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. 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	\$6,500 ⁺
IRA Contribution Limit over age of 50	\$7,500 ⁺

⁺cannot exceed 100% of earned income

When is the deadline for contributing to a Traditional 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** – Once you reach age 59½, you may take IRA distributions from your Traditional IRA without being assessed the 10 percent early withdrawal penalty tax. If you have not reached age 59½, there are certain situations where the penalty tax will be waived. These exceptions include: qualified higher education expenses, qualified first time home purchase, qualified medical expenses, qualified health insurance premiums, qualified reservist distributions, disability, levies, rollovers, recharacterizations and conversions to a Roth IRA. For a complete list of exceptions to tax on early distributions, visit www.irs.gov.
- **Taxation of Withdrawals** – Traditional IRA distributions are taxed as income in the year they in which they are withdrawn.*

- **Mandatory Withdrawals** – Although you may begin making withdrawals from your Traditional IRA without penalty at the age of 59½, you will be required to make annual withdrawals starting in the year you turn 73.

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 Traditional IRA. Distributions to your beneficiary(ies) are 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 Traditional IRA?

Learn more about the features and benefits of a Traditional 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.

Mailing & Shipping

Mailing Address

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

Deposits & Loan Payments Only

Travis Credit Union
P.O. Box 8000
Travis AFB, CA 94535

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

Check Fraud Information

(707) 469-4384 or
(800) 877-8328, ext. 4384#

Debit/Credit Card Fraud Information

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

**This brochure is intended to provide general information on federal tax laws governing Traditional 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.*

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.

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