



# PREPARING FOR RETIREMENT

A Little retirement planning now can make a huge difference later . . . But with daily responsibilities and competing financial priorities, it can be easy to put off.

When it comes to long-term goals like retirement, it can be hard to know where to start. The good news is that we have the resources you need to develop a retirement savings strategy.

An Individual Retirement Account (IRA) is an excellent tool for retirement savings. Unlike most investments, contributions may be tax deductible and will grow either tax-deferred or tax-free. There are general rules that are prescribed for IRAs and are grouped under three broad categories that include eligibility, contributions and withdrawals.

## TRADITIONAL IRA

### • ELIGIBILITY

Basically there are two rules that apply for eligibility.

- 1) Must be 70 1/2 or younger
- 2) Must have some form of compensation to contribute

### • CONTRIBUTIONS

The annual contribution limit is \$5,000 for 2011. This contribution limit can be annually adjusted for inflation in \$500 increments. Contributions are tax deductible if you are not an active participant in an employer retirement plan. Contributions and interest earned grow on a tax-deferred basis.

### • WITHDRAWALS

An owner must be age 59 1/2 before making a withdrawal from a traditional IRA without incurring an additional 10% tax penalty. There are several exceptions that allow an owner to avoid the tax penalty for early withdrawals. Check with a Financial Advisor for all the details on early withdrawals. Earnings are taxed only upon withdrawal or distribution. Distributions must begin at age 70 1/2.

### • CATCH-UP CONTRIBUTIONS

Owners who have reached age 50 by the end of the year are eligible to make an additional catch-up contribution of \$1,000.

101 West Denver St  
Holyoke, CO 80734  
970-854-3109  
  
517 Broadway  
Imperial, NE 69033  
308-882-6633  
  
Telephone Teller: 800-204-6855

### Hidden Numbers

One person located their membership number last quarter. This quarter it is worth \$68.91!



## EVENTS TO REMEMBER

### Credit Union Holiday Closings

- October 10th . . . . . Columbus Day  
November 11th . . . . . Veterans Day  
November 24th . . . . . Thanksgiving Holiday  
December 26th . . . . . Christmas Holiday

### International Credit Union Day

Join us on October 20th, 2011  
Open House 9:00-4:00  
In Holyoke & Imperial  
Refreshments, Giveaways, Door Prizes

## GREAT GIFT IDEAS

