



P.O. Box 54309 Oklahoma City, OK 73154

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## **IRA FAQ**

### **Benefit of an IRA?**

#### Traditional IRA

You can open and deposit into a Traditional IRA on your own, without any employer participation, until you reach age 70 ½. These contributions are tax-deductible and all interest you earn on them will be tax-deferred, meaning you won't need to pay those taxes until you withdraw funds after retirement. If something should come up and you need to dip into those funds before you turn age 59 ½, you may do so, but a 10 percent early distribution penalty may apply. This penalty will not apply if you are withdrawing funds for major life events, such as disability, unemployment, a qualifying first home purchase, qualifying education expenses, death or receiving your IRA assets in equal payments over your life expectancy after age 70 ½.

#### Roth IRA

A Roth IRA is not tax-deductible, but because taxes are already taken out of the principal amount when it is contributed, you can withdraw funds from those principal contributions at any time, tax-free. The interest you earn will not be tax-free until you are over the age of 59 ½, have held the account for at least five years, and experience a qualifying major life event. Unlike a Traditional IRA, there is no limit on how long you can pay into a Roth IRA and you will not be required to take payments at age 70 ½.

### **Energize IRA Terms?**

Your IRA will pay Dividends Quarterly based on the Average Daily Balance method. The Rate will be set on first day of each Quarter and will not change until first of the next Quarter. See [Energize Truth-in Savings Disclosure](#) for more info.

### **Can I make a Catch-up contribution for 2018?**

Because Energize began IRA service in 2019, only 2019 Annual Contributions will be accepted.

### **Can I have more than 1 IRA?**

You may have multiple IRAs at different Bank/Credit Unions, but the aggregate Contributions must stay within the yearly Limits. You may also have both a Traditional and Roth IRA, but again the Aggregate of the two must stay within yearly Limits.

### **Can I have an IRA and participate in a Retirement Plan?**

Yes, assuming age and compensation requirements are met. Ability to deduct Traditional IRA Contributions may be impacted depending on your income level.

### **Does Energize impose any Fees?**

There are no Enrollment Fees, Early Termination Fees, Early Withdrawal Fees, or Annual Fees. Your personal Tax Advisor will know what if any IRS Penalties are applicable.

### **Do I need to set an IRA Beneficiary?**

No, your Beneficiary will default to the latest designated Beneficiary on file for general Deposits.

### **Can I rollover existing retirement funds to an Energize IRA?**

Yes, a rollover generally is a tax-free, reportable movement of cash or other assets from one retirement savings vehicle to another. An IRA to IRA rollover occurs after an IRA owner has taken an IRA distribution. To successfully complete the rollover, you must generally follow through with a rollover contribution to the same type of IRA within 60 days. Day one of the 60-day time period begins the day after you receive the distribution, unless you qualify for a waiver or extension. Regular Annual Contribution limits do not apply to Rollover Contributions.

### **Traditional Options**

Transfer from outside IRA to ECU, at any time, before or after Age 70 ½ with no Penalty.

Annual Contributions are not allowed to any Traditional IRA after Age 70 ½.

The Annual Minimum Required Distribution at Age 70 ½ must leave the IRA, with no IRA redeposit.

**\*\*\* All information should be confirmed with your personal Tax Advisor first. \*\*\***