

For more information or to open your IRA, please call our Member Services Department at (847) 670-0456 or visit us on the web at http://www.mcu.org/Savings_Rates.htm.

Tax Year	Single Filer or Head of Household		Married Filing Jointly	
	No Deduction	Partial Deduction	No Deduction	Partial Deduction
2006 Income	≥ \$60,000	> \$50,000 - < \$60,000	≥ \$85,000	> \$75,000 - < \$85,000
2007 Income	≥ \$62,000	> \$52,000 - < \$62,000	≥ \$103,000	> \$83,000 - < \$103,000
	Full Deduction	Full Deduction	Full Deduction	Full Deduction
	≤ \$50,000	≤ \$52,000	≤ \$75,000	≤ \$83,000

The material provided here is general information only. For more detailed answers to any legal or technical questions, please consult with your attorney and/or accountant.

METRO FEDERAL CREDIT UNION
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 FAX (847) 670-0401
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 WEB: <http://www.mcu.org>
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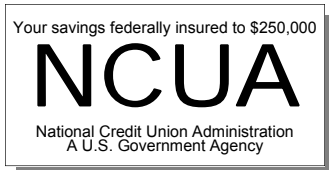
BUSINESS HOURS

LOBBY

Monday-Friday 8:00am - 6:00pm
 Saturday 8:00am - 1:00pm

DRIVE-THRU

Monday-Friday 7:00am - 6:00pm
 Saturday 7:00am - 1:00pm



Individual Retirement Account

Invest in Your Future!
 Open an
 IRA Account
 Traditional or Roth



Each person's financial situation is unique. All information and examples provided here are for general illustrative purposes only, and are addressed in general to a hypothetical reader, not to you specifically. Tax law is complex, and has many general rules, details, and exceptions, and state and local tax law varies from federal tax law. To learn about federal tax law and rules, details and exceptions concerning IRAs, you should read [IRS Publication 590](#) "Individual Retirement Arrangements (IRAs)" available at www.irs.gov or by calling the IRS at 1-800-TAX-FORM (1-800-582-6757). If you have questions and for tax advice, you should consult a financial or tax advisor before acting.

Can I establish a Traditional IRA? Generally, if you have taxable compensation from a job or alimony, you can establish a Traditional IRA before the tax year when you reach age 70½. Contributions are fully tax-deductible if you or your spouse do not participate in an employer-sponsored retirement plan. (See below for other limits on deductibility.) Beginning in the calendar year in which you reach age 70½, you can no longer make contributions to a Traditional IRA.

If I am covered by a retirement plan, am I eligible to open an IRA? You may have a Traditional IRA even if you are covered by a qualified pension, profit-sharing or other retirement plan, but you may be limited in the amount of the contributions that are tax-deductible. (To be "covered" means that money is contributed to your account, whether or not you contribute yourself.) For limitations on deductibility, [see below](#).

How much can I contribute to IRAs each year? Most people can currently contribute up to \$4,000 or 100% of your taxable compensation for the year, whichever is less. The \$4,000 limit applies to total contributions to all IRAs in the person's name (Traditional and Roth).

The IRA contribution limit is scheduled to increase to \$5,000 per person in tax year 2008. If you reach age 50 before or during 2007, you may make an additional catch-up contribution (see next question).

Can I contribute more if I am 50 years of age or older? If you reach age 50 before or during the year, you are permitted to play "catch-up" with your retirement savings by contributing extra amounts to your IRAs for that year. The "catch-up" provisions apply to anyone who meets the age requirement and is otherwise eligible to contribute to an IRA.

Year	Catch-Up Contribution Limit	Total Contribution (50+ yrs) Limit
2006-2007	\$1,000	\$5,000
2008	\$1,000	\$6,000

What if I don't have \$4,000? The law doesn't require a minimum contribution. You can start an IRA at METRO Federal Credit Union with as little as \$100. If your taxable compensation is under \$4,000, you can contribute all or part of it to an IRA.

When can I contribute? You can open an IRA, or contribute to an existing IRA, at any time. In order to apply to a given tax year, contributions may be made from January 1 of that year up to the tax filing day of the following year. The tax filing day is the normal tax deadline, even if you have received an ex-

ension beyond that date for filing your tax return. For tax year 2007, you can make contributions until April 15, 2008.

Is my IRA contribution tax-deductible? Provided that you have taxable compensation, contributions within the allowable limit are fully tax-deductible if the person or spouse is not covered by a retirement plan at work. If you participate in an employer's qualified retirement plan on any day during the tax year, the deductibility of your contributions declines to zero between certain modified adjusted gross income (AGI) ranges (see table below). The exact amount of partial deductions can be calculated by using a worksheet in [IRS Publication 590](#), "Individual Retirement Arrangements (IRAs)."

****See Table Details on Back Page****

If you are married, filing jointly, and your spouse is covered by a plan at work (but you are not), the deductibility for your contribution phases out when your modified AGI is more than \$156,000 and reaches zero at \$166,000 or more.

If you (and your spouse, if you are married) do not participate in a corporate, government, Keogh, or other retirement plan, then your Traditional IRA contribution is generally fully tax-deductible, whatever your income level.

What if both my spouse and I have earned income? If both of you have earned income, you can establish separate Traditional IRAs and can each contribute up to \$4,000 for the 2007 tax year (or \$5,000 if you reach age 50 before or during the year). If your combined income is less than your combined limits, the combined IRA contributions are limited to 100% of your taxable compensation.

What if my spouse doesn't work? If one spouse has little or no earned income, a Traditional IRA can be established based on the income of the higher-earning spouse. In this case, the combined total contributed may be up to \$8,000 for the 2007 tax year (or \$10,000 if each of you reaches age 50 before or during the year). The total may be divided between the two accounts in any way desired, so long as neither account receives more than \$4,000 (or \$5,000 if each of you reaches age 50 before or during the year). If your combined income is less than your combined limits, the combined IRA contributions are limited to 100% of your taxable compensation.

Can I transfer a Traditional IRA from another fund company to METRO Federal Credit Union? You can transfer a Traditional or Roth IRA directly from one mutual fund company to another. To directly transfer an IRA from another company to METRO Federal Credit Union, please visit [Account Maintenance Forms](#) and select "IRA Transfer Form."

What is a rollover? Examples of a rollover are moving assets from a Traditional IRA or an employer-sponsored retirement plan account, such as a 401(k) or 403(b) plan, into a Traditional IRA, or from a Roth IRA into another Roth IRA. You cannot roll over money from a 401(k) or 403 (b) plan into a Roth IRA, but you may convert your rollover IRA into a Roth IRA if you are eligible to do so. For more information, including rollover contribution time limits, see [IRS Publication 590](#).

[Rely on your credit union for the best IRA investment options.](#) We offer exceptional flexibility in meeting your investment needs. Once you have selected the type of IRA that's best for you, choose from our two investment options.

IRA Savings

- Offer a high variable rate
- Dividends compounded and paid monthly
- No minimum investment amount
- Additional deposits permitted at any time, up to your maximum yearly contribution
- Deposits can be conveniently made through payroll deduction
- Available as Traditional and Roth IRA
- Savings federally insured up to \$250,000.

IRA Certificates

- Offer high fixed rates
- Dividends compounded and paid monthly
- \$1,000 minimum balance requirement for Traditional and Roth IRAs
- Savings federally insured up to \$250,000.

