

# The retirement plan for everyone

With pension plans shrinking and life spans increasing, a healthy nest egg is more important than ever before. A Traditional IRA provides a unique combination of tax advantages for qualified individuals, making it easier to save for a comfortable retirement.

## Branch Locations

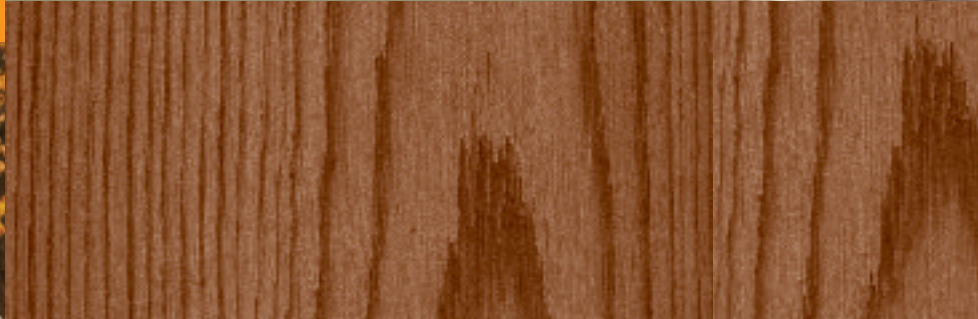
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|--|---|
| 32 Chicago Avenue<br>Groton, CT                              | 589 Hartford Pike<br>Dayville, CT                             |
| 625 Long Hill Road<br>Groton, CT                             | 335 Main Street<br>Niantic, CT                                |
| 3 Boston Post Road<br>Waterford, CT                          | One Connecticut Avenue<br>Norwich, CT                         |
| 20 Liberty Street<br>Pawcatuck, CT                           | 893 Main Street<br>Willimantic, CT                            |
| 601 Norwich/New London<br>Turnpike (Rt. 32)<br>Montville, CT | 50 Pequot Avenue<br>New London, CT<br><i>(limited access)</i> |

## High School Branch Locations

*(limited access)*

Robert E. Fitch Senior High School

Killingly High School



Traditional IRAs



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## Benefits of a Traditional Individual Retirement Account (IRA)

Rather than depending upon your employer to set up a retirement plan, a Traditional IRA lets you design a plan of your very own.

- ◆ A Traditional IRA can be opened and funded without employer participation.
- ◆ You can choose your own contribution amount (within limits) and investments.
- ◆ Assets are always available, and can be moved to other financial institutions or other qualified retirement plans under specific conditions.

## Eligibility

**You can contribute to a Traditional IRA if:**

- ◆ You are under the age of 70½.
- ◆ You or your spouse has earned income.

## Tax Advantages

Your Traditional IRA contributions may be fully or partially tax-deductible. 100% of the contribution can be deductible if you are not an active participant under an employer's retirement plan. Active participants' income levels determine the deductibility of amounts contributed.

- ◆ Deductible contributions provide an immediate tax benefit.
- ◆ Your earnings will grow tax-deferred.
- ◆ Taxpayers who fall within certain income limitations may qualify for a tax credit. See a tax advisor to determine if you qualify for this credit.

## Contribution Guidelines

Please note that the maximum deductible contribution amounts may be reduced depending upon your modified adjusted gross income.

- ◆ If you are under 50 at the end of 2012, you can contribute up to \$5,000.
- ◆ If you are 50 or older at the end of 2012, you can contribute up to \$6,000.
- ◆ If your earned income is less than the amounts listed above, you can contribute up to the amount of your earned income.
- ◆ The contribution limits may be adjusted for inflation in subsequent years.
- ◆ Your contributions may be split between a Traditional IRA and a Roth IRA, up to the combined limit.
- ◆ If eligible, your spouse may be able to contribute the amounts listed above to his or her Traditional IRA as well.

## Non-Deductible Traditional IRAs

Even if you do not qualify for deductible contributions, there are significant benefits to opening a Traditional IRA.

- ◆ Your contribution has already been taxed and will not be taxed again.
- ◆ Your earnings are sheltered from taxation until they are withdrawn.
- ◆ You will be one step closer to a secure retirement.

## Withdrawals

You may begin taking distributions when you reach the age of 59½. Annual distributions must begin when you reach the age of 70½.

If you make a withdrawal before you turn 59½, you will owe a 10% early distribution penalty unless the funds are used for qualified medical, education, first-time homebuyer, or other allowable expenses.

## Charter Oak Traditional IRA Accounts

**Charter Oak can help your money work harder, while keeping it safe and sound. Set up your Traditional IRA as a Regular Share, Money Market Account or Certificate, and enjoy:**

- ◆ Competitive rates
- ◆ No annual fees
- ◆ Federal Deposit Insurance

**To learn more, please call Member Services at 860-446-8085 or 800-962-3237, stop by any Charter Oak branch, or visit [www.CharterOak.org](http://www.CharterOak.org).**

Contribution limits, qualification criteria and other terms and conditions relating to these accounts can change at any time. Before you open your account, consult your tax advisor for current IRS laws and regulations associated with these types of accounts and whether they are a suitable investment for your financial situation.