



# INDIVIDUAL RETIREMENT ACCOUNT: SAVE MONEY YOUR WAY



## WHY THE IRA?

Whether you're already participating in employer-sponsored retirement plans and want additional savings options, self-employed and want to actively save for retirement, or not saving and want to start, IRAs allow you to decide when and how much you save.

### ADVANTAGES:

- An individual retirement product, you don't have to enroll through an employer.
- If you change jobs, your money stays with you.
- Make contributions on your own schedule or roll over funds from another account.
- An estate planning tool- choose your beneficiary.
- Choose from Traditional or Roth IRA.

### GOOD FOR SOMEONE WHO ...

- Is looking for flexibility, based on income, to save more for retirement.
- Wants to choose how to receive funds in retirement.
- Has available funds they want to roll over into an IRA.



## Competitive and Guaranteed Base Returns

IRAs offer a guaranteed base interest rate of **3-6%**. **There is no downside risk- meaning your money continues to grow even if the market fluctuates.** Each account also qualifies for Good Experience Credits (additional interest earnings) when designated by Pension Fund's Board of Directors.

## Eligibility

If you are an employee or former employee of an eligible congregation, region, general ministry or church-related college, seminary or benevolent organization related to the **Stone-Campbell/Restoration Movement**, you are eligible to participate. Spouses of an eligible employee are also able to open an IRA.

### Rollovers:

Pension Fund welcomes rollovers from eligible third-party accounts, including:

- 401(k) plan (pre-tax)
- 403(b) plan (pre-tax)
- 457(b) plan (pre-tax)
- An IRA from another institution

\*Any portion that would be taxable if distributed to the participant must be included in income. A Roth IRA cannot be rolled into a Traditional IRA.

Roth IRA 9 Year Historical Rates



Traditional IRA 6 Year Historical Rates



## IRAs: Historical Performance

\* Base rate listed is the average of the quarterly base rates for the year. Good Experience Credits listed in the year it was received in accounts. Data represents historical data and may not be indicative of future performance.

# ROTH VS TRADITIONAL IRA: Which One Should I Choose?



The benefits of each IRA option vary based on your age, income and unique financial situation. Here are the differences between a Traditional IRA versus a Roth IRA. Pension Fund recommends consulting with your financial advisor to make the best decision based on your circumstances.

	TRADITIONAL IRA	ROTH IRA
<b>Maximum Annual Contribution</b>	For 2021, \$6,000 (\$7,000 if you reach age 50 or older during the year).	For 2021, \$6,000 (\$7,000 if you reach age 50 or older during the year).
<b>Which Funds Can I Rollover Into My IRA?</b>	Traditional IRA, Pre-tax 403(b) account, Pre-tax 401(k) account, Pre-tax 457(b) account.	Traditional IRA or Roth IRA, Pre-tax or Roth 403(b) account*, Pre-tax or Roth 401(k) account*, Pre-tax or Roth 457(b) account*.
<b>Is there a deadline for contributions?</b>	Contributions are due by the tax filing deadline for the year, without extensions (usually April 15).	Contributions are due by the tax filing deadline for the year, without extensions (usually April 15).
<b>Is the Contribution Limit Reduced Based on My Income?</b>	No.	Yes. The ability to contribute to a Roth IRA is reduced for higher income earners. For 2021, you are not eligible to contribute to a Roth IRA if your modified adjusted gross income equals or exceeds: <ul style="list-style-type: none"> <li>• \$140,000 (filing single)</li> <li>• \$208,000 (married filing jointly)</li> </ul>
<b>Are My Contributions Tax Deductible?</b>	Yes. However, if you or your spouse are covered by an employer retirement plan (such as the Pension Plan or TDRA), the amount you may deduct is reduced based on your modified adjusted gross income (MAGI) and tax filing status. For 2021, if you're covered by an employer retirement plan, you may not deduct your Traditional IRA contributions if your MAGI equals or exceeds: <ul style="list-style-type: none"> <li>• \$66,000 (filing single)</li> <li>• \$105,000 (married filing jointly)</li> </ul> <b>Note:</b> Even if you can't deduct your contribution, you may still contribute to a Traditional IRA.	No. Contributions are made on an after-tax basis.
<b>How Are My IRA Distributions Taxed?</b>	Deductible contributions and earnings are included in your taxable income upon distribution. Non-deductible contributions are not taxed at distribution. A 10% early distribution tax may apply if you take a distribution before age 59½ unless an exception applies.	Contributions are not taxed upon distribution. Earnings on your contributions are not taxed upon distribution if certain holding requirements have been met. A 10% early distribution tax may apply to earnings if you take a distribution before age 59½ unless an exception applies.
<b>Is There an Age Limitation for Making Contributions?</b>	No.	No.
<b>When Do I Have to Begin Taking Distributions?</b>	By April 1 of the calendar year following the year in which you reach age 72.	You do not have to begin taking distributions during your lifetime if you are the original owner or surviving spouse of the Roth IRA.

\* May be a taxable event. Please consult your tax advisor. The material contained in this chart is for informational purposes only and is not to be construed as tax, financial, or legal advice. View the IRS deductions limits.

To learn more about Pension Fund's retirement & savings products, visit [pensionfund.org/what-we-offer](https://pensionfund.org/what-we-offer).

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Before making decisions about financial matters, please consult your attorney, tax preparer or other financial advisor to find out how these programs will impact your individual situation. If any differences exist between this summary and the IRA document, the IRA document will control. Past performance of the Pension Fund IRAs is not a guarantee of future returns.