



Understanding IRAs



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Today's Agenda

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Individual Retirement Account

What is an IRA?

An **IRA** (individual retirement account) is a **personal, tax-deferred account** the **IRS** created to give investors an easy way to **save for retirement**.

What it does

IRAs provide an excellent opportunity for your **retirement money to grow** and **compound faster** than it would in a taxable account.



Contribution Limits

The most you can contribute to all your traditional and Roth IRAs is:

- **Contributions limits for 2026:**
 - \$7,500 - *or* -
 - \$8,600 if you're age 50 or older by the end of the year;
- - *or* - your **taxable compensation** for the year.



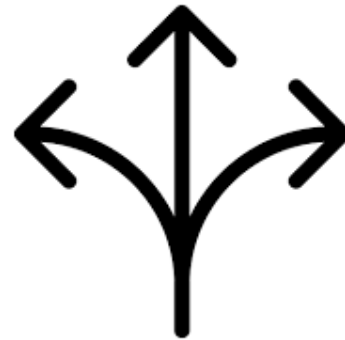
IRA Benefits



Advantages



Growth



Flexibility



Security



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Traditional IRAs

- Tax **Deductible** Contributions
- Tax-Deferred **Growth**
- Required Minimum Distributions (**RMDs**)
- **Penalties** for Early Withdrawals



Roth IRAs

- **Tax-Free** Qualified Withdrawals
- **No RMDs** (Required Minimum Distributions)
- Contributions and Income **Limits**
- **Penalty-Free Early Withdrawals** of Contributions
 - *Five-year rule*



Traditional	Roth
<ul style="list-style-type: none"> • Contributions are made pretax, reducing your current taxable income 	<ul style="list-style-type: none"> • Contributions are made after tax, with no effect on your current taxable income
<ul style="list-style-type: none"> • Distributions in retirement are taxed as ordinary income 	<ul style="list-style-type: none"> • Qualified distributions in retirement are not taxed
<ul style="list-style-type: none"> • Withdrawals of contributions and earnings are taxed 	<ul style="list-style-type: none"> • Withdrawals of contributions and earnings are not taxed under certain circumstances
<ul style="list-style-type: none"> • RMDs required at age 73 	<ul style="list-style-type: none"> • No RMDs required



IRA Rollovers

- **Employer-Sponsored** Plan Rollovers
- **Direct** Rollover vs. **Indirect** Rollover
- **Conversion** to a Roth IRA



Required Minimum Distributions

- Age Requirement
- Tax Implications
- Penalties for Failing to Take RMDs
- RMDs and Roth IRAs

Prior Year Balance / Life Expectancy Factor = RMD

[irs.gov: Uniform Lifetime Table](https://www.irs.gov/UniformLifetimeTable)



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Differences between IRAs & 401(k)s

- **Who contributes** to the account
- Investment **options**
- Contribution **limits**
- **Distributions**



USSFCU IRA Options:

- Traditional & Roth IRAs
- Competitive dividend rates
- No set-up fees or monthly/annual maintenance fees
- The ability to purchase Share Certificate(s) with IRA funds



Retirement Central



EDUCATION

Guidance to help you navigate through every step of retirement planning.



PLANNING TOOLS

Calculators & tools will help you take the guesswork out of saving for retirement.



ONLINE ACCOUNT MANAGEMENT

Open and manage your IRA accounts online.

Start Planning Today! ussfcu.org/IRA



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Resources

- [Retirement Central](#)
- [USSFCU Advisory Services](#)
- [irs.gov](#)

Email IRAService@ussfcu.org with any of your IRA questions.



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Important Disclosures:

*APY = Annual Percentage Yield. A 24-month term certificate with a balance of \$1,000 will earn 3.30% APY. A 24-month term certificate with a balance of \$200,000+ will earn 3.41% APY. The APY assumes dividends will remain on deposit until maturity. The dividend period on your account begins from the date that your account is opened and ends on the maturity date unless renewed. The minimum balance required to open a certificate is \$1,000. You will earn dividends for every day during the period that your account equals or exceeds the minimum daily balance requirement. Early withdrawal penalties may apply. Changes without penalty are allowed ten days from the maturity date. Fees may reduce earnings. See Fee Schedule at ussfcu.org/fees or call 800.374.2758 for more details. Yield and Dividend rates as of February 01, 2026 and subject to change without notice.

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