



Individual Retirement Accounts (IRA)

River Valley Credit Union Offers Traditional & Roth Individual Retirement Accounts (IRA)

River Valley offers Traditional and Roth Individual Retirement Accounts (IRA) to members. There are no annual fees for having an IRA.

We recommend that you consult a competent tax advisor when considering whether a Traditional or Roth IRA will be best for your needs.

Traditional IRA contributions are often tax-deductible so then the distributions generally are taxable and subject to an early distribution penalty tax. The early distribution penalty tax applies if you are 59 ½ or younger and you do not meet one of the IRS penalty exceptions. Once you reach 70 ½ you must withdraw your Required Minimum Distribution each year to avoid penalty taxes.

Roth IRA contributions are not tax-deductible, so any contribution amount that you withdraw from your Roth IRA will not be taxed or penalized at any time for any reason. The earnings in your Roth IRA will be tax- and penalty- free if you meet certain requirements.

You can make a contribution as a “rollover” (funds you have withdrawn from another IRA), “direct transfer” (funds directly sent from another financial institution) or a regular contribution.

Generally, when you take a distribution from an IRA with the intent to roll it over, you have 60 days to contribute those funds back into an IRA without penalty or paying taxes. The IRS will allow you to do this once in a 12 month period if the rollover is done between different financial institutions.