

You can also withdraw your earnings without taxes or penalty if you are buying a home for the first time (up to a maximum of \$10,000), you reach age 59½, or for other qualified reasons. Ask a Cardinal Bank representative for details.

Income requirements vary for the Roth IRA. Refer to the IRA Comparison Chart for details.

COVERDELL EDUCATION SAVINGS ACCOUNT (CESA)

This account benefits students because it may be used to pay for qualified education expenses at the elementary, secondary and post-secondary (college) levels.

And if a student has special needs, contributions can continue after the student is 18. For a special-needs student, funds can be withdrawn tax-free at any age.

The CESA may be opened by an individual who meets federal income requirements and who wishes to benefit a student under 18 years of age.

SIMPLIFIED EMPLOYEE PENSION (SEP) IRA

A SEP IRA is intended to provide self-employed individuals with a way to save funds for retirement. Withdrawals may be made after you reach 59½, or if you choose, you may wait until you are age 70½ to make withdrawals.

Flexible Investment Options

We can help you plan for the future with our retirement accounts. Cardinal Bank provides Traditional and Roth IRAs and the flexibility to choose from a wide array of investment options to create the IRA that best suits your retirement needs. We offer IRA Money Market Savings Accounts and IRA Certificates of Deposit (with terms from 3 - 60 months).

ASK US ABOUT CATCH-UP CONTRIBUTIONS!

If you are 50 or older, you may make “catch-up” contributions and contribute an extra \$1,000 per year into your Cardinal Bank Traditional or Roth IRA. Contact a Cardinal representative for more information.

For more information on these IRAs or Cardinal’s other IRA options, stop by your nearest Banking Center or call us at 703-584-3400 or 800-473-3247.
Monday – Friday, 8:00 a.m. – 6:00 p.m.
Saturday, 9:00 a.m. – 1:00 p.m.



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INDIVIDUAL RETIREMENT ACCOUNTS



A comfortable retirement doesn't just happen overnight. Planning ahead and wise investing are crucial in preparing yourself for retirement. Cardinal Bank offers both experienced staff who can help you select the best way to invest for your retirement and a choice of retirement savings options and terms.

Plus, Cardinal Bank offers an excellent way to accumulate the funds needed for your children's educational expenses through Coverdell Education Savings Accounts (formerly known as an Education IRA) and other savings products.

Your Cardinal retirement accounts are insured by the FDIC to the maximum allowable limits. These accounts are insured separately from other deposits you may have with Cardinal Bank.

TRADITIONAL IRA

Contributions to a Traditional IRA may be tax-deductible, and the earnings are tax-deferred until withdrawal. If you participate in a qualified retirement plan, your deduction for contributions may be reduced or eliminated based on your MAGI.* The principal and interest in a Traditional IRA are subject to income taxes upon withdrawal.

TRADITIONAL TO ROTH IRA CONVERSIONS

As of 2010, income and filing status rules for converting your Traditional IRA to a Roth IRA were permanently eliminated. And there is an additional tax break available just for 2010: If you convert your Traditional IRA to a Roth IRA, you may spread your taxable income from the IRA conversion between your 2011 and 2012 tax returns. Consult your tax adviser for more details.

ROTH IRA

Contributions to a Roth IRA are not deductible, but earnings accumulate tax-free. Contributions to the Roth IRA can be withdrawn at any time for any reason without federal tax or penalty.

IRA COMPARISON CHART

| | Traditional IRAs | Roth IRAs | Coverdell Education Savings Accounts (Education IRAs) | SEP IRAs |
|-------------------------------|--|--|--|---|
| Eligibility | <ul style="list-style-type: none"> You must be under age 70½ and earning income (or be filing jointly with an income-earning spouse) Income must be at least equal to the contribution | <ul style="list-style-type: none"> No age limit If single, your MAGI* is no more than: 2009 \$120,000 2010 \$120,000 If you file jointly, your MAGI is no more than**: 2009 \$176,000 2010 \$177,000 | <ul style="list-style-type: none"> Beneficiary must be under age 18 Age limit does not apply if beneficiary has special needs | <ul style="list-style-type: none"> Individuals who are self-employed May include part-time income |
| Tax Advantages | <ul style="list-style-type: none"> Qualified contributions and earnings tax-deferred until withdrawal Contributions are fully tax-deductible if individual is not an active participant in an employer's retirement plan (income limits apply otherwise) Catch-up contribution of \$1,000 also permitted for individuals 50 years of age and older Funds may be withdrawn after you reach 59½; at age 70½ withdrawals are required | <ul style="list-style-type: none"> Earnings grow tax-free Contributions (principal) may be withdrawn tax-free and penalty-free at any time Withdrawals of earnings may be made without federal penalty or tax liability for qualifying reasons Catch-up contribution of \$1,000 also permitted for individuals 50 years of age and older | <ul style="list-style-type: none"> Tax-free withdrawals for qualified education expenses Funds may be withdrawn at any age for a special-needs beneficiary | <ul style="list-style-type: none"> Contributions may be tax-deductible Earnings are tax-deferred until withdrawal |
| Maximum Annual Contributions* | 2009 - 2010 . . . \$5,000 (\$6,000 if age 50 or older) After 2010 \$5,000 (\$6,000 if age 50 or older) plus cost of living adjustment** | 2009 - 2010 \$5,000 (\$6,000 if age 50 or older) After 2010 \$5,000 (\$6,000 if age 50 or older) plus cost of living adjustment** | \$2,000 per beneficiary, until the child reaches age 18 | 25% of your income or \$45,000, whichever is less |

*MAGI – Modified Adjusted Gross Income from your federal tax form.

**For the latest income requirements, ask a Cardinal Bank representative or consult your tax adviser.

*A penalty may apply for early withdrawal of funds.

**After 2010, contributions may be adjusted by increments of \$500 annually for inflation. Visit www.irs.gov for more information.

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