

## Individual Retirement Annuity

Tax-Qualified Savings and Growth

*Standard Insurance Company's Individual Retirement Annuity is an ideal way to save for retirement. Whether you choose a Traditional or a Roth IRA, The Standard's products and services will always support your current financial situation and your long-term goals.*

### Contribution Limits

Year	Limit
2004	\$3,000 (\$3,500 age 50 and older)
2005	\$4,000 (\$4,500 age 50 and older)
2006	\$4,000 (\$5,000 age 50 and older)
2007	\$4,000 (\$5,000 age 50 and older)
2008+	\$5,000 (\$6,000 age 50 and older)

Limits are indexed for inflation after 2008.

### Rollover IRA

If you are in transition between employers, any retirement-savings funds your employer distributes directly to you are subject to 20% federal tax withholding, leaving considerably less money for you to roll into another pension plan or IRA. In addition, if you don't rollover an amount equal to your direct distribution within 60 days, the amount not rolled over is subject to income taxes and an IRS penalty.

An ideal way to avoid this blow to your savings is to have that money rolled directly into a Traditional IRA. You can avoid taxes and penalties and allow your money to grow in a safe, tax deferred annuity.

### Spousal IRA

It's easier than ever to grow your savings tax-deferred, even if only one spouse works outside the home. Married couples who file jointly may make 2005 IRA contributions for each spouse up to \$4,000 (\$4,500 for those who are 50 and older in the year the contribution is made).

This benefit applies to both Traditional and Roth IRAs.



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## Traditional IRA

If you are younger than age 70½ and have earned income, you may contribute to a Traditional IRA and benefit from tax-deferred growth and full or partial deductibility of your contributions.

A Traditional IRA can be ideal for you if you foresee that your tax bracket will likely be lower in the future, perhaps at retirement, when you begin to take withdrawals. Because these payments will be taxed as ordinary income, it's to your benefit to be in a lower bracket at that time.

### Penalty-Free Withdrawals

While most Traditional IRA early withdrawals are subject to an IRS 10% early-withdrawal penalty, the following exceptions apply:

- qualified higher-education expenses;
- qualified first-time home purchases;
- qualified health insurance premiums;
- medical expenses that exceed 7.5% of your adjusted gross income;
- Substantially Equal Periodic Payments;
- funds used to pay a tax levy on an IRA;
- transfers relating to divorce proceedings;
- disability; and
- death.

Withdrawals may be subject to surrender charges in the contract.

### Tax Deduction

Traditional IRA contributions are fully deductible if neither you nor your spouse participate in an employer-sponsored savings plan. If you participate in such a plan, the maximum contribution you may deduct in a given year depends on your adjusted gross income and how you file your taxes. The deduction phases out as follows.

Tax Year	Joint Returns AGI Range	Single Returns AGI Range
2004	\$65,000 – \$75,000	\$45,000 – \$50,000
2005	\$70,000 – \$80,000	\$50,000 – \$60,000
2006	\$75,000 – \$85,000	\$50,000 – \$60,000
2007+	\$80,000 – \$100,000	\$50,000 – \$60,000

## Roth IRA

If you are 20 or more years from retirement and you participate in an employer-sponsored plan, a Roth IRA may be an ideal way to build several years of tax-deferred growth on your money.

A Roth IRA may also be preferred by those whose tax bracket will likely be higher when they begin taking withdrawals or those who want access to some or all of their funds before age 59½.

### Tax-Free Withdrawals

While your Roth IRA contributions are not tax deductible, you may withdraw your earnings tax free if you are at least 59½ and the account has been in force for at least five years. You can also withdraw your contribution amounts at any time, for any reason without taxes or IRS penalties (but subject to surrender charges).

If you are younger than 59½, withdrawals of your earnings may be subject to an IRS 10% early-withdrawal penalty. However, the exceptions described at left under “Penalty-Free Withdrawals” also apply to a Roth IRA.

### Income Limitations

Those who file a single return with an AGI of up to \$95,000 may make a full Roth IRA contribution; those with an AGI of \$95,000 to \$110,000 may make a partial contribution. Those who file a joint return with an AGI of up to \$150,000 may make a full Roth IRA contribution; those with an AGI of \$150,000 to \$160,000 may make a partial contribution.

### Minimum Distributions

Unlike a Traditional IRA, with a Roth IRA you do not have to take the IRS Required Minimum Distribution at age 70½. In fact, you may continue to contribute to your Roth IRA, regardless of your age, as long as you have earned income. If you'd like to take this withdrawal, however, you may receive amounts that comply with IRS Required Minimum Distributions without a surrender charge.

The following applies if the annuity is purchased through a bank or a credit union: (a) the annuity is not a deposit; (b) the annuity is not guaranteed by any bank or credit union; (c) the annuity is not insured by the FDIC or any other governmental agency; (d) the purchase of an annuity is not a provision or condition of any bank or credit union activity; and (e) some annuities are subject to investment risk and may go down in value.