Liquid IRA Q&A

What is a Liquid IRA?
A special type of certificate designed for IRA investments. It was put in place to simplify IRA funds tracking by allowing members to make contributions each year to the same CD, rather than set up a new CD each year.

What is the term?
60 months (Certificate Type: IRAL60)

What is the minimum balance requirement?
The minimum balance requirement is $500.

What is the penalty for early withdrawal?
The early withdrawal penalty is 365 days' dividends, or dividends since the CD was opened, whichever is less. Early withdrawal penalties are waived for members 72 or older if they are taking their required minimum distribution (RMD).

What IRA types are eligible for the Liquid IRA?
You can invest Traditional IRA, Roth IRA, and Coverdell Education Savings Account (Education IRA) funds in the Liquid IRA.

Can I have more than one Liquid IRA CD on my account?
Yes. The Liquid IRA CD will allow additional contributions at any time, however, so it is not necessary to open a new Liquid IRA CD each time you make a contribution. Simply add your contribution to your existing Liquid IRA CD and keep your IRA account simple and easy to track!

Can I make additional contributions to a Liquid IRA CD?
Yes! Additional contributions (of any amount) can be made at **anytime**!

Can I make rollover contributions into the Liquid IRA CD?
Yes, rollovers and direct transfers can be made into the Liquid IRA CD. This makes the Liquid IRA CD a possibility for almost everyone – even for those members can no longer make regular contributions.

Does my term get longer each time I make an additional contribution?
No. The maturity date remains the same through the life of the CD, regardless of the number of additional deposits. FORUM employees should not change the maturity date when accepting additional contributions.

Can I change the rate on my Liquid IRA CD?
If $1000 or more is added to the certificate during the rate adjustment period of January 1st through April 15th, the member has a choice of rates – they can keep the existing rate (no certificate term change form is needed), or change to the current Liquid IRA CD rate (certificate term change form required.)

Who changes the rates for members who make contributions and want to bump their rate?
It is the responsibility of the FORUM employee assisting the member at the time the additional contribution is made. These rate adjustments are not processed in the Research department.

What if I contribute $1000 after April 15th?
Contributions are accepted anytime, but the rate cannot be adjusted outside of the adjustment period of January 1st through April 15th.

What if I contributed $2000 on February 1st and the rate goes up March 1st, can I still bump my rate?
No. Your rate options were: the rate on your existing CD and the current rate. The higher rate was not in effect at the time of the additional deposit, so the higher rate cannot be granted. (Assuming no further contributions are made during the adjustment period while the higher rate is in effect.)

Why should I choose the Liquid IRA?
Rate protection – lock into a great rate, with the option of changing your rate
Ease of management – maintain all your IRA funds in one CD with one maturity date, on a much simpler statement
Diversify your investments – the Liquid IRA CD is NCUA insured and provides an excellent return