

NORTHWESTERN Banker Newsletter

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January 5, 1976

Announce IRA Disclosure Rules

To conform to Individual Retirement Account (IRA) disclosure requirements, issued by the Internal Revenue Service, Collin W. Fritz, banking consultant, has developed the following information in cooperation with the Iowa Bankers Insurance and Services Corporation, Des Moines. Banks throughout the NORTHWESTERN BANKER area will find the information useful:

1. Eligibility to participate in IRAs requires that a person is not presently covered by a qualified pension or profit sharing plan now, and has not been covered at any time during the calendar year.

2. Contributions to IRA are limited to 15% of earned income or \$1500.00 per year, whichever is less. i.e.: Earned income is defined as wages, salaries, fees, commissions, bonuses and tips. Also income from self-employment. i.e.: farming or other business.

3. The benefits of your IRA may be taken upon reaching age 59½ and a person must begin taking the benefits upon reaching age 70%.

A. Four methods are available for taking the benefits.

(a) Lump sum upon retirement.

(b) Over a period of years determined by a person's life expectancy.

(c) Term of years over the life expectancy of a person and his or her spouse.

(d) A sum-certain number of years not to exceed the life expectancy.

B. Upon death the account is paid to named beneficiaries or the estate.

C. Upon complete disability a person may withdraw the account regardless of age.

D. All withdrawals are subject to regular income taxes.

4. IRAs are non-forfeitable.

5. Actions resulting in disqualification and subject to penalty taxes.

A. Early withdrawal prior to age 59½--10% penalty tax.

B. Over-contribution in excess of 15% of earned income--6% penalty tax.

C. Borrowing against the amount or pledging the account for a loan.

6. An IRA is on a calendar year.

7. Investments are limited to Savings Accounts or Time Certificates of Deposit.

8. Certain prohibited transactions between participant or his beneficiaries with respect to an IRA may cause the participant to lose his tax exemption.

A person has seven days from the above stated date to notify us if he or she does not wish to continue the

program.

Form 5498, statement of account must be furnished by the IRA trustee or issuer to the individual on or before January 31 and with IRS on or before the last day of February.

Form 1099, information return, is not to be filed for an IRA because it would duplicate the data on Form 5498.

The tax consequences of revoking a 1975 IRA on or before April 15, 1976. In connection with the last point, IRS said the regulations will provide in general that revocation of an IRA will be treated for tax purposes as if it had not been established in the first place.

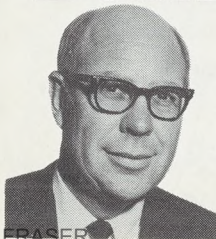
Formal IRA disclosure forms, together with a detailed interest rate table are available through the Iowa Bankers Insurance and Services, 430 Liberty Building, Des Moines, Iowa 50309.

Fed Reduces Reserve Requirements

The Federal Reserve Board has announced that it is reducing from 3% to 2.5% the amount of reserves that banks must maintain for deposits that mature from 180 days to four years. The action will increase the nation's money supply by an additional \$340 million.

The new reserve requirement for deposits of 180 days to four years applies to new deposits effective the week of December 25, 1975.

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Iowa News

DES MOINES: District Court Judge Harry Perkins on December 30 denied a temporary injunction that would have halted point-of-sale EFT operations in Iowa after January 1. The injunction was sought in a suit by Rep. Arthur Small (Dem., Ia. City). Defendant was Iowa superintendent of banking Thomas H. Huston. The Iowa Bankers Association was an amicus curiae defendant. Judge Perkins said no proof was given that harm would result from continuing current operations until the legislature makes any revisions in the law, if it chooses to do so.

Mr. Huston said banks approved for experimental programs prior to January 1 could continue to operate, with each bank limited to 5 outlets, and no further outlets approved after January 1. As of December 30, 1975, 27 banks were approved with a total of 58 outlets.

DES MOINES: Simon W. Casady has been elected a director of Central National Bank and Central National Bancshares, Inc., and C. Frederick Beck has been elected a director of Central National Bank.

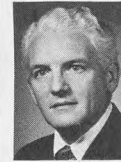
Mr. Casady, member of a noted pioneer Des Moines family, last month purchased the stock warrants held by International Bank, Washington, D.C., of which Gen. George Olmsted is chairman. The warrants acquired by Mr. Casady have been transferred to Central National Bancshares, Inc., and have been retired and cancelled. A bank spokesman said the warrants were acquired "as part of a package stock acquisition under which Mr. Casady has an option which he intends to exercise in the next few days. These options allow Mr. Casady to acquire stock presently owned by International Bank and Financial General Bankshares, Inc., both of Washington, D.C. Together this amounts to 10% of the outstanding shares of Central National Bancshares, Inc. This acquisition by Mr. Casady will make Central National even more locally owned."

Mr. Beck is a director of Central National Bancshares, partner in a Mason City law firm, and a director of United Home Bank & Trust, Mason City, which is a subsidiary of Central National Bancshares.

MARSHALLTOWN: Tom R. Smith, president, Fidelity Bank, has announced the election of Charles Nichols as senior vice president and head of the loan division. Others promoted are: Steve Kirkham, vice president & trust officer; Janet Daters, vice president--personnel; Dennis



Christy
Armstrong



Leo
Kane



Bob
Scott

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Nebraska News

LAUREL: Security National Bank has announced the following promotions: Bernard Pehrson, vice president and cashier; Deloris Morten, and Maureen Schuster, assistant cashiers.

LINCOLN: Thomas J. Norris, FSA, has been elected vice president and actuary at Lincoln Benefit Life, it was announced by Robert H. Rydman, chairman and president.


WAUNETA: Wiley Green, president, has announced plans for interior remodeling and refurbishing of the bank.

Minnesota News

ANOKA: Donald H. Gregerson, 59, president of the First National Bank, died recently of a coronary occlusion. He had undergone major surgery two weeks earlier in Rochester and had just returned home. Mr. Gregerson was president of the Minnesota Bankers Association in 1965-66.

Illinois News

CHICAGO: Central National Chicago Corp., holding company for



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**JOHN RODGERS
WELCH**
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Banking Officer



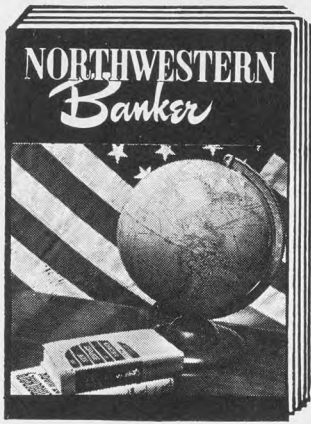
Dorothea Wolfe

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See Classifieds - Page Four

Central National Bank in Chicago, has announced that its major shareholders have approved a one-month extension on the options held by several Chicago investors to obtain control of the holding company and the bank. The investors are headed by Donald M. Graham, former chairman of Continental Bank of Chicago. The options extend to January 31 a previously announced plan to put \$10 million into the capital funds of the bank through purchase of voting preferred stock and subordinated debt.

CHICAGO: Continental Bank announces that three of its Chicago-area correspondent banks will soon be sharing its electronic check authorization technology at 200 National and Dominick's supermarkets in Chicago and suburbs. Avenue Bank and Trust plans to issue its cards to 7,600 customers in January, followed in February by National Security Bank with 5,000 customers and Glenview State Bank with 7,000 customers.

MARION: The Peoples Bank's application for Federal deposit insurance has been approved. The bank's capital accounts total \$1,200,000.

STERLING: Ned M. Swanson has been promoted to vice president, consumer credit department, and Patrick H. McDonnell to assistant vice president, bank vault operations, at Central National Bank.

Wyoming News

CASPER: Henry A. Hitch, president, First National Bank, has announced the following promotions: Clifford E. Kirk, senior vice president and cashier-finance division; Donald J. Swanton, senior vice president-administration division and Lloyd M. Fordyce, senior vice president-banking division; Federal Reserve Bank of St. Louis

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William G. Kern and Finn P. McCarthy, vice presidents, and John A. Milliken, loan officer.

Norville Currence, 64, who was due to retire at the end of December from First National, died in mid-December of a heart attack.

CHEYENNE: Roy Stoddard, Jr., has joined the American National Bank as senior vice president and senior trust officer. Mr. Stoddard moved to Cheyenne from Oskaloosa, Ia., where he was a practicing attorney for many years.

THERMOPOLIS: Laramie County District Court Judge Joseph Maier has upheld State Bank Examiner Dwight Bonham in the latter's approval of a state charter for First State Bank of Thermopolis.

Colorado News

AURORA: Gary D. Whitlock has been elected president and a director of Aurora Mountain Bank, a subsidiary of Mountain Banks, Ltd. He replaces W. Ray Durrance who has resigned to accept a

position with a bank in Florida. Mr. Whitlock formerly was vice president of the parent organization.

DENVER: Charles L. Flierl has been advanced to senior vice president of operations at University National Bank. Named cashier to succeed Mr. Flierl in that position is Stephen T. Witcher.

South Dakota News

LETCHER: The Live Stock State Bank of Artesian has announced an expansion program for its branch office here. The concrete block addition will be 16 x 54 feet and will include a drive-up window.

SIOUX FALLS: Orrin Anderson has been named assistant vice president and assistant manager of the Western Mall branch and Paul Esser has been named loan officer of the main office of The First National Bank.



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Cedar Rapids Iowa 52401 A BANKS OF IOWA BANK

SIOUX FALLS: Northwestern National Bank has announced the following promotions: Gerald S. Acheson, assistant vice president and assistant manager at Huron; Gary G. Johnson, assistant vice president and assistant manager at Madison; Richard J. Miller, personal loan officer at Chamberlain.

WANT ADS

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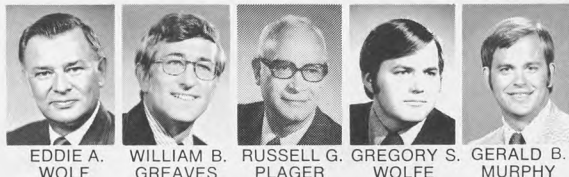
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BANKING SERVICES: As your agent, we can: 1. Sell your bank stock. 2. Acquire Bank stock. 3. Appraise bank stock. 4. Prepare stock financing proposals. "Ray E. Reents," Consultant, 2730 S. MacArthur, Springfield, Ill. 62704.

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PRESIDENT—Several places open Missouri and Kansas, suburban and metro. One needs good industrial area lending and marketing experience. Also, CEO for Northwest Nebraska town under 10,000 people.

TRUST OFFICER—To eventually head department, over \$100 million. Prefer degree and large bank experience.

COMMERCIAL LOAN—Formal analysis and 3-5 years experience in metro area preferred.

EXECUTIVE VICE PRESIDENT—Metro Missouri area. Must be good marketing, administrator, loan officer.

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NEBRASKA BANKERS—Interviews are planned for January. If you are an experienced banker, unhappy in present position, send resume at once. Confidentiality respected.

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