

Four STAR

S&T Bank
WINTER 2010

Four Star Club News on Investments, Trends and Tips to Enhance Your Lifestyle
800.325.BANK • stbank.com

Tax-Free Income For Retirement

New rules. New Strategy.

Income restrictions that previously prevented many retirement investors from taking advantage of tax-friendly Roth IRAs will be eliminated beginning January 1, 2010, providing more freedom of choice.

All tax payers – regardless of income – will have the opportunity to convert Traditional IRAs, SIMPLE IRAs, and other retirement plan assets to a Roth IRA.

How will a Roth IRA work for you?

Roth IRAs are tax-free and owners are not required to take minimum distributions at age 70 ½. Your investment will continue to grow tax-free for you, or for your children or grandchildren.

Traditional IRAs grow tax-deferred, which means you pay the highest possible tax at the least convenient time – at retirement. Your contributions (the seeds) are not taxed, but your growth (the harvest) will be taxed when you withdraw your investment.

With a Roth IRA, the seed is taxed now at a lower rate, and you reap the harvest tax-free.

Although converting to a Roth IRA requires you to pay taxes on the converted amount, the conversion will provide a dramatic increase in long-term benefits.

Reap the Benefits

1. Convert your IRA assets into a Roth IRA.
2. Pay the tax in the year you move your assets or spread out the taxation between 2011 and 2012.
3. Your savings will grow tax free.
4. In retirement, you get tax-free withdrawals.

Conversion Example

| | |
|------------------------------|------------|
| IRA Holder Date of Birth | 11-20-1969 |
| Conversion Year | 2010 |
| Anticipated Retirement Age | 67 |
| Conversion Year Tax Rate | 25 |
| Pre-Retirement Tax Rate | 25% |
| Conversion Amount | 50,000 |
| Rate of Return | 6% |
| Out-of-Pocket Conversion Tax | \$12,500 |

Distribution at Age 67

| | |
|-----------------|-----------|
| Traditional IRA | \$170,601 |
| Roth IRA | \$227,469 |

Your decision to convert your Traditional IRA or eligible employer retirement plan to a Roth IRA is based on many complex factors. Talk with your S&T Bank personal banker and your tax advisor today to learn whether you could benefit from a Roth IRA conversion.

Four STAR Club Membership Features

- Club Bonus on select CDs
- \$200.00 closing credit for an S&T Bank Reverse Mortgage
- 50% Discount on Safe Deposit Box
- FREE personalized Clubline Checks or 50% discount toward Deluxe personal checks
- 10% discount on Wealth Management Group's first year of fees
- And More



For more information about the many perks of being a Four STAR Club Member, visit us online at www.stbank.com.

S&T Ranks among Best Employers List

S&T Bank is pleased to announce that they have been selected as an “AARP Best Employer for Workers over 50” ranking 36 of 50. This is the first time that S&T has received this national designation. S&T Bank and other selected national employers have been recognized for demonstrating exemplary practices with regard to recruitment, retention and promotion of older workers. We were acknowledged for creating and fostering a workplace that is supportive of the contributions older workers offer to the business community. Almost ten percent of S&T employees have worked here more than twenty-five years and forty-two percent of employees are ages 50 and older.

A public announcement was made September 9, 2009, announcing the list and S&T was featured as a Best Employer in AARP Magazine’s November/December issue. On Tuesday, November 17, 2009, AARP State Directory, Dick Chevrefils and Associate State Director, Kelly Altmire presented S&T Bank with the award for one of the Best Employers for Workers Over 50.



Pictured left to right: S&T Bank’s Ed Hauck, Becky Stapleton, Rob Jorgenson, AARP State Director Dick Chevrefils and AARP Associate State Director, Kelly Altmire

Reversal of Fortune

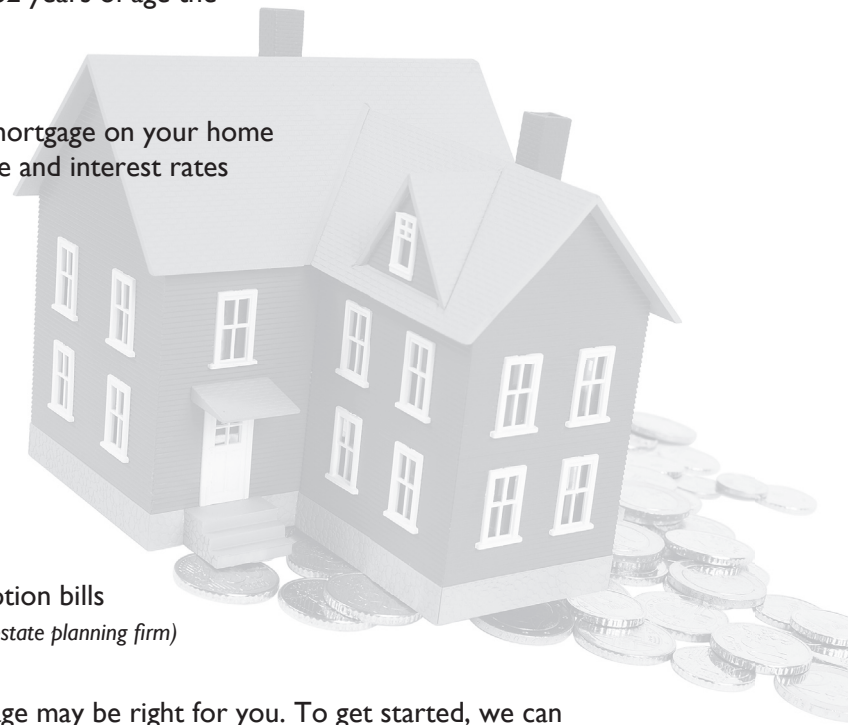
Need extra income? Instead of making mortgage payments, use your home’s equity to gain income.

S&T Bank Reverse Mortgages

- Unique mortgage program provides homeowners at least 62 years of age the opportunity to qualify for FHA Government insured loans.
- Provides additional income during retirement years
- No credit or income requirements
- May be eligible even if there is an existing first or second mortgage on your home
- Amount available based on applicant’s age, the home’s value and interest rates
- No monthly payments as long as you live in the home
- No need to sell your home
- No income taxes on cash received
- No effect on social security or medicare benefits

Common Uses of Reverse Mortgage Proceeds

- Retire an existing mortgage
- Pay off any type of existing debt to create better cash flow
- Provide supplemental income
- Provide funds for home repair or maintenance
- Provide funds to help family members
- Provide funds for in-home health care and medical/prescription bills
- Use for estate planning purposes *(cannot be used for payment to estate planning firm)*



Call today to find out if a Reverse Mortgage may be right for you. To get started, we can meet with you at your convenience to discuss your needs. To find out more or set up a meeting, call Susan Smith, Reverse Mortgage Specialist at 724.840.3208 or call our Direct Banking Center at 800.325.BANK.