

Title

Nov (25) Best 60 month CD rates -- Interest.com

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For many people, 5-year CDs are a great way to save for a specific need, like an emergency account, a future wedding, a house, or even retirement. Wealth-building, though, requires having a solid plan in place for growing your hard-earned cash. The best 60-month CDs can help you reach your financial goals with a high APY and other fringe benefits. To help you get started, here are five of the best 60-month CD rates from top banks.

The 5 best 60-month CDs of 2019

- [Pen Air Federal Credit Union](#) — Best for high APY
- [State Department Federal Credit Union](#) — Best for Department of State employees and affiliates
- [Pennsylvania State Employees Federal Credit Union \(PSECU\)](#) — Best for funding options
- [Navy Federal Credit Union](#) — Best for Military members
- [Discover](#) — Best for IRA CDs

Table Columns: Name of Bank, APY, Early Withdrawal Penalty, Minimum Deposit

- Pen Air Federal Credit Union, 2.95%, 180 days interest, \$500
- State Department Federal Credit Union, 2.88%, 360 days interest, \$500
- Pennsylvania State Employees Federal Credit Union (PSECU), 2.52%, 180 days interest, \$500
- Navy Federal Credit Union, 2.40%, 365 days interest, \$1,000
- Discover, 2.10%, 6 months interest, \$2,500

What is a 60-month certificate of deposit?

A 60-month certificate of deposit is a savings deposit account. It doesn't give you easy access to your funds like conventional savings accounts. Instead, it is a time deposit with a term agreement between you and the bank. You agree to deposit a predetermined amount of money into the account for a term of five years, untouched. The bank agrees to provide a higher yield of interest during that time. Each bank and CD have different perks and disadvantages. So, let's dive in and explore what our top five picks have to offer.

Certificate of deposit vs. high-yield savings account

A high-yield savings account often requires a higher minimum deposit and APY than conventional savings, though not as high of an APY as that offered by a high-yield CD. Unlike a high-yield savings account, a CD is a deposit account. So, your CD funds are intended to be left untouched in the account to maximize the interest gains. Early withdrawal of CD accounts often comes with a penalty. So, a CD account is a better choice for funds that you won't need during the term of the CD.

Certificate of deposit vs. money market accounts

Money market accounts are more closely related to high-yield savings accounts. They give you more access to your money and often come with checking and debit card privileges. However, money market accounts are intended for growing your savings. So, there are more limitations and less flexibility.

The best 5-year CD rates top even the best money market rates, but there's a catch. To maximize the benefit of the CD APY, you need to leave your funds in the account, untouched for the term of the CD. In most cases, you are permitted to make an early withdrawal. However, doing so means paying a heavy penalty, sometimes as much as 365 days of interest.

Certificate of deposit vs. series I savings bonds

Like CDs, savings bonds mature over time, but they can take many years longer to mature than CDs. There are currently two different types of government savings bonds — the EE series and the I series. Of the two, the I series earns the most interest, which is really a composite of two different types of interest — a fixed rate and an inflation rate. Combined, the current composite APY is 2.22%, but this may change.

CDs are usually offered at a fixed rate throughout their term. This isn't always the case and varies by institution. So, always check with the institution before deciding to invest. To help with your search, we've scoured the internet for five of the best 60-month CDs.

The best 60-month CDs of 2019

Pen Air Federal Credit Union — Best for high APY

Pen Air is “the largest and oldest credit union” serving the Pensacola, Florida community. It has been providing its financial expertise since 1936 and boasts of 15 locations across northwest Florida and southeast Alabama. The institution offers a range of CD terms to choose from.

The perks

Besides offering the best 60-month CD rates, currently fixed at 2.95% APY, Pen Air requires a low minimum deposit of \$500. CD interest is compounded monthly and you'll get 10 days grace at CD maturity to make any changes before auto-renewal kicks in.

Pen Air has a mobile app and online banking that allow you to track all of your accounts. Finally, its CDs are compatible with IRA accounts and Trust accounts, but you'll need the appropriate documentation if that is your goal.

The disadvantages

Pen Air has an early withdrawal penalty equal to 180 days of interest. You can make interest-only withdrawals, but this reduces your APY.

To open a CD account, membership is required. Joining includes opening a savings account with a \$25 funding fee and you can also opt to donate \$3 to the military.

Finally, there are a couple of account maintenance fees to be aware of. Pen Air charges a monthly \$15 dormant fee if there is no account activity after 12 months. So, maintain some level of account activity each month to avoid the fee. Also, if you opt to wire funds into your accounts, there is a \$15 wire fee.

State Department Federal Credit Union — Best for State Department employees and affiliates

Chartered in 1935, this institution caters only to state department employees, their families, and select affiliate organizations. Although membership is private, if you fit the requirements, the institution has a lot to offer. Services and products available through State Department include a range of insurance products, banking, and financial planning services.

The perks

This institution takes second place for our pick on the best 60-month CD rates and currently has its 5-year CD rates fixed at 2.88% APY. Another perk is the low minimum deposit of \$500. There are no account maintenance fees to worry about and interest compounds daily. Like other top institutions today, online banking and a mobile app are available.

The Disadvantages

There are a couple of disadvantages to speak of. Membership is restricted and there is a hefty early withdrawal penalty equal to 360 days of interest.

Pennsylvania State Employees Federal Credit Union (PSECU) — Best for funding options

Established in 1934, PSECU caters mainly to those who live, work, or attend school in Pennsylvania, but it also provides an alternative path to membership for others, but more on that later.

The perks

PSECU offers you a guaranteed rate, currently fixed at 2.52% APY, and you'll need a minimum deposit of \$500 to start. It has an interesting ATS recurring deposit feature that sets it apart from other institutions. This allows you to continue funding your CD throughout its term, but you must set this feature up within the first 30 days or forfeit this perk. If you change your mind later, you can always cancel. When your CD matures, you get 10 days of grace to make any changes. Beyond that, there are no account fees, interest compounds daily, and online banking and a mobile app are available.

The disadvantages

The early withdrawal penalty is 180 days of interest. If your principal dips below the \$500 minimum, the CD will close and you will incur the penalty again. Finally, there are membership requirements. You must live, work or attend school in Pennsylvania to join, but if you don't, there's an alternative membership path. It requires opening a savings account with a \$5 funding fee and joining the Pennsylvania Recreational Park Services. Park services membership costs \$10 if you join through PSECU. Otherwise, it's \$20, but there's no obligation to renew later.

Navy Federal Credit Union — Best for military members and their families

Navy Federal has been going strong since 1933 and serves only military members and their families. So, membership is restricted. Yet, if you fit the bill, there are a lot of perks to consider.

The perks

This institution offers a fixed 2.40% APY for its 5-year CDs with a minimum deposit of \$1,000. The APY bumps to 2.50% APY if you have \$100,000 to stash. Dividends are compounded daily and credited monthly. Online banking and mobile app are available. One unique feature is that the institution allows some CD funds to be used as loan collateral, but this doesn't apply to all CDs.

The disadvantages

Other than membership restrictions, early withdrawal is equal to 365 days of interest. Should your CD principal fall below the minimum deposit balance, the CD will be closed with a penalty. If you opt to use your CD as loan collateral, you are limited to one loan per CD.

Discover — Best for IRA CDs

Our final pick is Discover, which began test marketing its credit card in 1985. Today, the institution offers a range of financial products and services, including one of the best 5-year CD rates around. Here's the breakdown.

The perks

Discover's 5-year CD rates are currently fixed at 2.10% APY with a minimum deposit of \$2,500. This is the same whether you choose a standard, high-yield CD or an IRA CD.

Discover offers two different IRA CDs — Roth and Traditional. The difference is in taxability and penalty, but more on that in a moment. IRA CDs here give you the advantage to transfer funds from IRA savings accounts as many times as you want since it's not considered a distribution.

On all CD options, interest compounds daily and you'll have 9 days' grace before the CD auto-renews and there are no account maintenance fees. Online banking and mobile app are available. Finally, if you need to reach out, Discover's customer service is available 24/7.

The disadvantages

A Roth CD is funded with after-tax dollars. So, contributions are not tax-deductible and withdrawal doesn't incur a tax penalty from the IRS. A traditional IRA CD is funded with pre-tax dollars, meaning that you pay taxes on it later and cannot access funds until you are 59 ½ without incurring an IRS tax penalty. Early withdrawal for any CD — high-yield traditional, Roth, or traditional IRA — does incur a penalty from Discover bank, which equals six months of interest. So, that's something to keep in mind.

The final word

Whether you're looking to invest in your immediate future or retirement, a 5-year CD is a worthwhile investment to consider. It pays to shop around for the best rates from top financial institutions across the country. Like the institutions that offer them, each CD offers a unique perspective on investing. Building your wealth begins with a solid plan and a 5-year CD is a great place to start.