

## **Retirement Products and Services**

**401(k)**- Investing in your company's 401(k) plan is a great way to optimize your money's potential for growth. Advantages of this account include:

- Deciding how much to save and put into the account.
- Benefiting from tax-deferred savings.
- Receiving consistent, automatic savings and possible employer matching.
- The ability to take contributions and earnings with you even if you leave.

401(k) plans are a great way to save but it should represent only one aspect of your overall savings strategy.

**Traditional IRA**- Investing in your IRA is one way to contribute to your retirement savings. You may contribute up to \$5,000 for 2008 on a tax-deductible basis. If you have a spouse, each of you may contribute \$5,000 for 2008 for a total of \$10,000 for each year; if your spouse does not work, you may be able to make the maximum annual contribution on his or her behalf. Individuals age 50 and older may make an annual catch-up contribution of an additional \$1,000 for 2008. You need to consult with your tax advisor before choosing this vehicle for tax deferred savings.

**Roth IRA**- A Roth IRA helps avoid federal taxation on your IRA earnings-both while they are invested and upon withdrawal. A Roth IRA maintains restriction on contribution amounts, which are as follows:

- Maximum annual contribution of \$5,000 from your earned income for 2008.
- If you have a spouse, each of you may contribute up to \$5,000 for 2008 (for a total of \$10,000 each year). Even if your spouse doesn't work, you may be able to make the maximum annual contribution on his or her behalf.
- Individuals age 50 and older may make an annual catch-up contribution of an additional \$1,000 for 2008. The total contributions to an IRA (either Roth or Traditional) cannot exceed \$5,000 (or \$6,000 if 50 or older) for 2008. You need to consult with your tax advisor before choosing this vehicle for tax deferred savings.

**Rollovers**- Rolling your retirement assets from a qualified retirement plan at your place of employment into a traditional IRA is one of the best ways to keep your assets growing. In such a move, no taxes are withheld by your employer, and the funds will continue growing tax deferred until they are withdrawn from your account during your retirement years. By choosing to rollover all (or part) of your distribution, you are avoiding the employers automatic 20% withholding requirement and you are also maintaining flexibility in your current investments as well as your future distribution options.