



# RETIREMENT PLAN OPTIONS FOR INDIVIDUALS

You should spend your retirement in financial security, enjoying the time and freedom that your working days helped to make possible. All too often, though, people live their retirement years in financial insecurity because they failed to properly plan for the future. By putting a plan in place today, you can help ensure that your assets continue to work for you long after you have stopped.

There are steps you can take to prepare. The most successful retirement plans include a blend of a number of savings options: participation in a qualified retirement plan or 401(k), an individual retirement account (IRA) savings plan and a strong overall investment portfolio that may include different types of investments.

## EMPLOYER SPONSORED RETIREMENT PLANS

One of the most popular and well-known qualified retirement plan options is a 401(k), a salary deferral strategy that permits employees to defer pre-tax dollars toward a retirement savings plan. Generally, it is wise to contribute the maximum pretax amount you can afford into a retirement plan. The current IRS maximum is \$16,500, with a catch-up of \$5,500 (if over the age of 50). Additionally, your employer will often match a portion of your contribution to supplement your retirement savings.

## INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)

There are two main types of Individual Retirement Accounts (IRAs): Traditional and Roth IRAs. A Traditional IRA allows an individual to invest up to \$5,000 annually, with a catch-up of \$1,000 (if over the age of 50), which will grow tax-deferred until withdrawn. IRAs also provide an additional potential benefit of the ability to make tax deductible contributions. A Roth IRA allows an individual to invest up to \$5,000, with a catch-up of \$1,000 (if over the age of 50), after-tax dollars annually, which will grow tax-free if left in the account and not withdrawn before specific age requirements are met.

## ANNUITIES

An annuity is a contract purchased through an insurance company. You pay the insurance company with either a single payment or a series of payments, and the insurance company, in turn, consents to pay you the income, either immediately or at a later date, for life or for a guaranteed period of time. Generally, nonqualified annuities should be considered only after you have funded your qualified retirement plans and IRAs to the maximum level permitted.

## YOUR INVESTMENT PORTFOLIO

A well-defined investment portfolio is a critical component of your retirement plan. Historically, the most successful portfolios have included a blend of stocks and bonds. A diversified, properly allocated portfolio can provide you with the potential for secure and steady growth to help balance risk and hedge against inflation.

It is never too soon—or too late—to begin planning for retirement. We can discuss these and other options to determine the right course of action today to help you prepare for tomorrow.