

Your Retirement in Focus

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Retirement 101

All approach retirement, some sooner than others. To enjoy your retirement years and not be a burden on family members, it is essential that you save sufficient assets to carry you through your retirement. No one knows precisely the amount of assets you will need for a comfortable retirement, but the more you save now, the more comfortable you are likely to be at retirement.



Here are the essentials to know about your retirement plan:

What is it? Your employer's retirement savings plan is a defined contribution plan designed to help you finance your retirement. As a participant in the plan, you own an individual account within the plan that you contribute money to for your retirement.

What are the limits? For the year 2018, you can contribute a total of \$18,500 towards your retirement plan. Individuals age 50 and over can contribute an additional \$6,000.

Salary deferral advantages. Participating in your company's retirement savings plan allows you the benefit of saving via payroll deduction on a tax deferred basis.* Every dollar you save goes directly into your retirement savings account. Tax deferral on both savings* and asset growth via payroll deduction helps you save more money and pay less tax upon distribution at retirement.

Tax deferred growth. Not being taxed on the growth of your assets helps accumulation during your working years. With your qualified retirement savings plan you not only defer taxes on the amount you save*, but earnings on your savings is also tax deferred until distribution.

Employer contributions. Employer contributions, if offered, help you accumulate assets for retirement and can add considerably to your retirement account balance. You are also not taxed on your employer's contributions until distribution. As an example, if your employer contributes 25 percent on your contribution, that is the equivalent of earning a 25 percent return on that portion of your contribution, in addition to whatever return your investment generates.

Portability. If you change employers at some point in your career, you typically can keep your assets in the current plan, roll your assets over to your new employer's plan or roll your assets into an IRA.

*Some defined contribution plans offer a Roth feature. Tax treatment of employee Roth deferrals differ from traditional 401(k) because contributions are made on an after-tax basis. Please review your Plan's Summary Plan Description for more details.

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Beltz Ianni & Associates, LLC, 280 Kenneth Drive, Suite 110, Rochester, NY 14623
585.340.5200 | www.beltz-ianni.com