

## Sample article for organizations to use in reaching employees and customers

Provide the following helpful retirement savings information in your communication vehicles. (Word count 414)

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### Take Advantage of Opportunities to Save for Retirement

Having enough money to do the things you want to do when you retire means you have to save. Here are a few tips to make sure you're taking full advantage of all your retirement savings opportunities.

#### Employer-sponsored retirement plan

*Join the Plan* - If your employer's retirement plan requires you to formally enroll before you can make or receive contributions under the plan, do it as soon as you can. Many retirement plans have quarterly or more frequent entry dates. Contact your employer to find out when you can participate, and enroll before the next entry date.

*Salary Deferral Contributions* - If your employer's plan allows you to contribute, remember that you can decrease your taxable income by making pre-tax salary deferral contributions. Many plans allow salary deferral elections to be submitted anytime, so review your contribution amount to ensure you are saving as much as possible.

The maximum annual salary deferral contributions allowed for 2012 are:

- \$17,000 to 401(k) or 403(b) plans
- \$11,500 to SIMPLE plans

If you are 50 or older by the end of 2012, your plan may allow you to make additional catch-up contributions of:

- \$5,500 to 401(k) or 403(b) plans
- \$2,500 to SIMPLE plans

Many 401(k) and SIMPLE IRA plans also match some part of your salary deferral contributions. For example, your employer's plan may contribute 50 cents for every dollar you contribute to the plan up to a certain amount. Contact your employer for details and adjust your salary deferrals to take advantage of matching contributions.

#### Individual Retirement Arrangements (IRAs)

For 2012, you may be able to contribute to a traditional or Roth IRA the smaller of:

- \$5,000 (\$6,000 if you are age 50 or older), or
- your taxable compensation for the year.

This is the most that you can contribute, regardless of whether the contributions are to one or more traditional or Roth IRAs or whether all or part of the contributions are nondeductible.

Some factors may limit or eliminate your ability to contribute to an IRA (e.g., your age, modified adjusted gross income, filing status and amount of compensation). Also, the amount of traditional IRA contributions that you can deduct depends on whether you or your spouse was covered for any part of the year by an employer retirement plan, if your income is above certain thresholds.

Saving for retirement requires planning, so periodically review your retirement goals, savings options and annual contributions to maximize your retirement savings!

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**NOTE TO EDITOR:** Below are links to helpful retirement information on IRS.gov.

- [Publication 590, Individual Retirement Arrangements \(IRAs\)](#) – comprehensive description of the rules for IRAs, including contribution and deduction rules and deadlines.
- [Plan Participant/Employee Web pages](#) – information on life events that can affect retirement savings and on various types of retirement plans.
- [Retirement Plans Frequently Asked Questions](#) – answers to commonly asked questions on a variety of retirement plan topics.

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