

# Timing Is Everything

*Some helpful retirement tips for employees from the IRS...*

## Invest in Your Retirement

### Does your company have a retirement plan?

There are [lots of benefits](#) of participating in a retirement plan! For example, by participating in your company's retirement plan, you can:

- increase your retirement savings; and
- decrease your taxable income for 2010 by making [pre-tax salary deferral contributions](#) (if allowed by the plan).

### Not participating in your company's retirement plan?

Enroll as soon as you can! Many retirement plans have quarterly or semi-annual entry dates. Contact your employer to find out when you can participate and consider joining on the next entry date.

### Already participating in your company's retirement plan?

You may want to review the amount you are contributing to the plan. The maximum annual salary deferral contributions allowed for 2010 are:

- 401(k) or 403(b) plans - \$16,500
- SIMPLE plans - \$11,500

If you are 50 or older at any time by the end of 2010, your retirement plan may allow you to make additional [catch-up contributions](#):

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

### Did you get a tax refund?

Consider contributing your tax refund to a traditional or Roth IRA. Generally, for 2010, you can [contribute](#) up to \$5,000 to either a traditional or Roth IRA (plus \$1,000 if you are 50 or older by the end of 2010). The amount that you can contribute to a Roth IRA depends on your income and filing status and the amount of deductible contributions you can make to a traditional IRA depends on the amount of your income and whether you or your spouse are covered by a plan at work. See [Publication 590](#), *Individual Retirement Arrangements (IRAs)*, for complete details.

For more retirement tips, visit [www.irs.gov/ep](http://www.irs.gov/ep), select "Plan Participant/Employee" and click on "Timing is Everything."

