

Sample article for organizations to use in reaching employees and other taxpayers

Customize and provide the following helpful retirement savings information in your communication vehicles.

Benefits of Participating in Your Employer's Retirement Plan

Did you know that retirement can last for 30 years or more? A common rule to follow is that a retiree will need up to 80 percent of his or her annual income today to retire comfortably.

Participating in your employer's retirement plan is a good way to save for your retirement because:

- You may be able to make pre-tax contributions to the plan through payroll deductions;
- Your employer may also contribute to the plan on your behalf;
- You are not taxed on investment gains in the plan until they are distributed to you;
- You may be able to move your plan investments from one employer to another; and
- You may even qualify for the retirement savings contribution credit of up to \$1,000 (up to \$2,000 if filing jointly) for contributing to the plan. The credit may reduce your federal income tax liability.

To maximize your retirement savings, join your employer's plan as soon as you are eligible and contribute as much as possible up to the allowed plan limits.

Example of time value of money

Future Retirement Savings Value Assuming 6% Growth			
Monthly Savings	5 Years	15 Years	20 Years
\$50	\$3,506	\$14,614	\$23,218
\$200	\$14,024	\$58,455	\$92,870
\$500	\$35,059	\$146,136	\$232,176

Contact your employer for information on your company's retirement plan.

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

- [Publication 4703, Retirement Savings Contributions Credit](#) – details about the credit, including who qualifies to take the credit and the amount and benefits of the credit.
- [Tax Information for Plan Participant/Employee](#) – resources and information on life events that can affect retirement savings and definitions.