

## Sample article for organizations and employers

*Customize and include the following article in your communication vehicles for your customers, members and employees.*

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### Get Real About Retirement Savings

How do you want to spend your retirement? Traveling or maybe spending time with your family? Whatever your retirement dreams, you have to start planning and saving now to make your dreams come true! Here are a few retirement savings tips and reminders:

#### 1. Plan to save

First, set a realistic retirement savings goal. Take into account how many years your retirement will last, what you want to do when you retire and how much you will need for each year of your retirement.

Next, schedule your savings. Depending on what works best for you, commit to saving a certain amount every year, every month or even every week for your retirement. Stick to your schedule.

Lastly, regularly review your savings goal and schedule to make sure you're still on track.

#### 2. Start saving now

It's easy to put off saving for retirement to another day. The earlier you start the more likely you will save enough for retirement. By starting sooner rather than later, you will also benefit more from [compounding](#) – earnings on previous earnings.

#### 3. Participate in your employer's plan

Start participating in your employer's retirement plan as soon as you can. If the plan allows you to contribute to the plan from your wages, contribute as much as you can up to the plan limits, which 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 the year, your plan most likely will allow you to make additional (catch-up) contributions of \$5,500 to 401(k) or 403(b) plans, and \$2,500 to SIMPLE plans.

If your employer doesn't have a retirement plan, ask if one can be started.

#### 4. Contribute to IRAs

Contributing to Individual Retirement Arrangements (IRAs) is a simple way to save for your retirement. 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.

Some factors may [limit or eliminate](#) your ability to make IRA contributions while others may limit you from [deducting](#) your traditional IRA contributions.

## 5. Avoid early withdrawals

Your retirement savings are for when you retire. To maximize the amount available when you actually retire, avoid taking money out early from retirement plans and IRAs. Remember that you usually have to pay an additional 10% tax on the amount of money you take out of your plans or IRAs before you reach age 59½, unless you qualify for an [exception](#).

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### **NOTE TO EDITOR:** Below are helpful resources on retirement topics on IRS.gov:

- [IRAs](#) – information on contribution and deduction limits, rollovers, distributions and beneficiaries.
- [Tax Information for Plan Participant/Employee](#) – information on saving for retirement, including how changes in your life can affect retirement planning.
- [Retirement Saving Tips for Individuals](#) – help on saving for retirement and understanding your employer's retirement plan.
- [Retirement Plans FAQs](#) – answers to common retirement plan and IRA questions.
- [Publication 590, Individual Retirement Arrangements \(IRAs\)](#) – comprehensive information on all the tax rules for traditional and Roth IRAs.

### **On Twitter? Send these Tweets to your customers:**

- Information about #retirement planning for every stage of your life <http://go.usa.gov/rQyQ> #IRS
- Free tips on how to save for your #retirement <http://go.usa.gov/rQye> #IRS