

## Investing Beyond Your Retirement Savings Plan

**Gene contributes the maximum** to his employer-sponsored retirement savings plan and still has more money that he wants to invest. He's already building his retirement nest egg. Where should he turn to build it up even more?

### **Roth IRAs have benefits ...**

To start, Gene should consider opening a Roth IRA and investing the maximum— if he meets the income eligibility requirements. He wouldn't be required to begin withdrawing from the account when he reaches age 70 ½, as he would with a Traditional IRA, so his account balance could be left intact as he grows older in retirement. Plus, Roth IRA contributions are made with after-tax money, so withdrawal of contributions are not taxed. Earnings aren't taxed either if the account has been held for five years and the owner is age 59 ½ or older when he withdraws them.

### **... as do Traditional IRAs**

If a Roth IRA isn't Gene's cup of tea, he may consider opening a Traditional IRA (contributions may be fully or partially tax-deductible). A nondeductible IRA could be an alternate strategy if Gene were ineligible for a Roth IRA, because nondeductible IRAs have no income restrictions. The benefits of years of tax-deferred compounding can be significant.

Taking further advantage of tax-deferred savings opportunities can be a wise way to prepare for retirement. Gene has solid plans to put himself on track with his savings strategy.

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