Wealth News

March 2010

Information from SACU and CFS* to help keep your financial life in balance

Consumer Sense

Don't Procrastinate!
Over the past 18 months, many investors have witnessed the worst market meltdown in 80 years. Even if you've experienced reductions in your own retirement accounts, don't let today's economic status discourage your savings plans for the future. Now is a good time to start adding more to your Individual Retirement Account (IRA) or 401(k) plan. Each plan type offers its own advantages.

Employer Sponsored Plans
According to the IRS, 401(k) plans are the most popular type of retirement plans used today. The two main advantages of 401(k) plans are:

- contributions and investment gains are not subject to federal income taxes until distributed from the plan and
- contributions can be 100% vested.

Even with the stock market in constant movement, you should consider saving for your retirement as soon as you can. Not contributing to a 401(k) plan may end up costing you more than you'd think especially if your employer incents contributions by matching your own contributions. In this case, you could be missing out on what equates to free money!

Individual Retirement Account
IRA's may offer potential tax advantages. In 2010, you may be able to contribute up to $5,000 per year. If you're 50 years or older, you qualify to add an extra $1,000 annually to your IRA under the IRS "catch up" provision. Your account grows tax-free until you begin making withdrawals, usually after age 59 ½. If you are anticipating a hefty tax bill, you have until the April 15 filing deadline to make allowable contributions to a traditional IRA for 2009. You may be eligible to use all or a portion of the IRA contribution to decrease your taxable income depending on your adjusted gross income. For specific tax advice please consult a qualified tax professional.

Roth IRA
Unlike a traditional IRA, owners are not required to take a minimum distribution from a Roth IRA when age of 70 ½ is reached. While contributions to a Roth IRA are not tax-deductible, a Roth IRA offers tax-free withdrawals in later years as long as the funds have been in the account for at least 5 years and the owner is at least 59 ½ when distributions are taken.

Source: *www.irs.gov*

Your Specific Financial Situation
Which is best -- a traditional IRA, Roth IRA or 401(k) plan? This question can only be answered by a financial professional. At SACU our team of financial professionals can help you with different types of tax advantaged retirement accounts and with the rules that apply.

Schedule your complimentary appointment with an SACU investment representative by calling U.S. Toll Free 1-800-234-7228 Ext 1071 or Ext 1442 today. In San Antonio please call 258-1071 or 258-1442. Check out SACU's Investment Professionals on sacu.com.

Have You Read...

"IRAs, 401(k)s & Other Retirement Plans": Taking Your Money Out by Twila Slesnick PhD, John Suttle CPA Attorney.
This book is a solid self-help legal look at a critical back-end issue that most of us blissfully ignore until we absolutely must confront it.

SACU

Your Dream Is Our Mission...
At SACU, our CFS* financial advisors are committed to providing products and services that help you and your family build your personal financial wealth and financial well being.
Interested in learning more? Call 1-800-234-7228 Ext 1071 or Ext 1442.