Option 3 Worksheet Page 1

Name\_\_\_\_\_\_Period\_\_\_\_\_

**Types of Retirement Plans** 

Retirement	Characteristics	Individual	Eligibility	Maximum	Age to
Plan Name		or Group		Deposit as of	Withdrawal
		Sponsored		2006	
		Plan			
403 (b)	1.	Group	Employees working for non-profit organizations, some hospitals, public schools and certain tax- exempt organizations	\$12,000 for 2003, \$13,000 for 2004, and \$14,000 for 2005.	59 _ years old TAXES PAID AT WITHDRAWAL
401 (k)	A type of employer- sponsored retirement plan that allows a worker to save for retirement while deferring income taxes on the saved money and earnings until withdrawal. In some cases, employers can opt to match the employees' contribution	2.	The employer decides the eligibility requirements.	The contribution or deferred limits are currently \$12,000 (although this amount changes from year to year) or up to 20-25% of the employee's pretax salary	3.
Traditional	Tax deductible	Individual	4.	\$3,000/year for 2002-	Begin at age 59 1/2
IRA	contributions (depending on income			2004 \$4,000/year for 2005	and are mandatory by 70 1/2
(Individual	level) Taxes are paid on			\$4,000/year for 2006-	TAXES PAID AT
Retirement	earnings at the time of withdrawal. Funds can			2007 \$5,000/year for 2008	WITHDRAWAL
Account)	be used to purchase a			\$5,000/year for 2008	
/recount)	variety of investments				
	(stocks, bonds, certificates of deposits,				
SEP IRA			I small business or self-employe in the employee's name, instead		
Simple IRA	5.				
-	16.15			10.64	
Self- Directed IRA	a self-directed IKA that pe	ermits the account hold	er to make investments on beh	all of the retirement plan	
Roth IRA	Established in 1998 and named for its chief legislative sponsor, U.S. Senator William V. Roth Jr. of Delaware, Contributions are not tax deductible All earnings and principal are 100% tax free if rules and regulations are followed Funds can be used to purchase a variety of investments (stocks, bonds, certificates of deposits, etc.)	Individual		\$3,000/year for 2002- 2004 \$4,000/year for 2005 \$4,000/year for 2006- 2007 \$5,000/year for 2008	6.
Social Security	7.				

Option 3 Worksheet Key Page 1

KEY-----

**Types of Retirement Plans** 

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Retirement	Characteristics	Individual	Eligibility	Maximum	Age to
Plan Name		or Group		Deposit as of	Withdrawal
		Sponsored		2006	
		Plan			
403 (b)	A tax advantaged	Group	Employees working for	\$12,000 for 2003,	59 _ years old
100 (8)	retirement savings		non-profit organizations,	\$13,000 for 2004, and	TAXES PAID AT
	plan available for		some hospitals, public	\$14,000 for 2005.	WITHDRAWAL
	public education, non- profit organizations,		schools and certain tax-		
	and self-employed		exempt organizations		
	misters				
401 (k)	A type of employer-	Group	The employer decides the	The contribution or	59 _ years old
()	sponsored retirement		eligibility requirements.	deferred limits are	TAXES PAID AT
	plan that allows a			currently \$12,000	WITHDRAWAL
	worker to save for retirement while			(although this amount changes from year to	
	deferring income taxes			year) or up to 20-25%	
	on the saved money and			of the employee's pre-	
	earnings until			tax salary	
	withdrawal.				
	In some cases,				
	employers can opt to match the employees'				
	contribution				
Traditional	Tax deductible	Individual	Sufficient income to	\$3,000/year for 2002-	Begin at age 59 1/2
	contributions		make the contribution.	2004	and are mandatory by
IRA	(depending on income			\$4,000/year for 2005	70 1/2
(Individual	level) Taxes are paid on			\$4,000/year for 2006-	TAXES PAID AT
Retirement	earnings at the time of withdrawal. Funds can			2007 \$5,000/xxxxx for 2008	WITHDRAWAL
	be used to purchase a			\$5,000/year for 2008	
Account)	variety of investments				
	(stocks, bonds,				
	certificates of deposits,				
~	etc.)	1 ( ' 11	11.1 ' 10 1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	. 1
SEP IRA			small business or self-employe in the employee's name, instea		
	name	ional IKA established	in the employee's name, histea	d of to a pension fund acco	ount in the company s
Simple IRA		nsion plan that allow	s both employer and employe	ee contributions, similar	to a 401(k) plan, but
Simple IXA	with lower contribution limits and simpler (and thus less costly) administration. Although it is termed an IRA, it is treated separately				
Self- Directed	a self-directed IRA that pe	rmits the account hold	er to make investments on ben	iair of the retirement plan	
IRA					
Roth IRA	Established in 1998 and	Individual		\$3,000/year for 2002-	59 _ years old
	named for its chief			\$4,000/xxxxx for 2005	TAXES PAID AT
	legislative sponsor, U.S. Senator William V.			\$4,000/year for 2005 \$4,000/year for 2006-	DEPOSIT, GROWTH IS NOT
	Roth Jr. of Delaware,			2007	TAXED IF RULES
	Contributions are not			\$5,000/year for 2008	AND
	tax deductible All				REGULATIONS
	earnings and principal				ARE FOLLOWED
	are 100% tax free if				
	rules and regulations are followed Funds can				
	be used to purchase a				
	variety of investments				
	(stocks, bonds,				
	certificates of deposits,				
			Ì	1	İ
	etc.)				
	etc.)	donal m 01	on of to my : 1: 1	and their deal	with mating of
Social Security	etc.)  The comprehensive fe		enefits providing workers ments. The Social security		