- Withdrawals are treated as ordinary income in the year they are withdrawn.

TAX$AVERS Tips:

- Keep good records of your after tax contributions to any savings plan or IRA.
- Congress has lowered the minimum annual withdrawal requirement to enable your funds to grow tax deferred for a longer period.
- Review the investment mix of your retirement plan funds annually. The level of risk you were willing to take in your 30s or 40s may not be appropriate for your situation today.
- Review your deposit amounts annually. Program changes may allow you to increase your deposits or change your eligibility.
- Increased annual contribution to retirement savings plans for those 50 or over are available:
  - IRAs: Add $1,000 in 2009 and beyond.
  - 401(k) and 403(b): Add $5,500 in 2009 and beyond.
  - SIMPLE Plans: Add $2,500 in 2009 and beyond.

The Roth

Roth IRAs and 401(k) allow you and your spouse to contribute funds into an account on an "after-tax" basis. If you keep the funds in the account for five years the earnings are tax-free. With a few exceptions, there is a tax and a 10% penalty if the funds are withdrawn prior to age 59 1/2. Unlike Traditional IRAs and other pre-tax retirement accounts, with a Roth you may make contributions after age 70 1/2 and there are no mandatory minimum withdrawal requirements.

3 Estate Plans

Proper estate planning can be an effective tool to not only maximize your available assets during retirement, but can also be an effective means to maximize the value of assets available to your children and other beneficiaries. The size of your estate generally determines the complexity of the estate planning you should consider. Estates are currently exempt from federal tax in 2010, but will be taxed at 2001 levels beginning in 2011 unless Congress acts to change the law. Until the legal dust settles, generally speaking you should review your options as part of your retirement plan.

4 Tax Code Benefits for Senior Taxpayers

The tax code is written to provide benefits after you reach retirement age. Some of the more important provisions are:

- Elderly Tax Credit for those 65 and over.
- Additional standard deduction for those over 65.
- Deductions for pre-paid non-refundable medical and retirement home care expenses.
- Deductible long-term care insurance expenses.
- Medicare. While not a direct part of the tax code, this program provides subsidized health care that effectively allows for deductibility of these expenses.
- Medicare prescription drug benefit plan.
- Special retirement plan savings credits.

With senior taxpayer status, you have many tax and financial planning topics to review. By planning properly you can ensure that your "Golden Years" can be truly golden.

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TAX$AVERS

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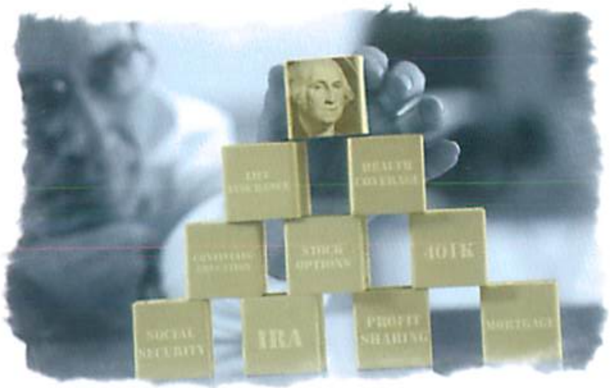
GERALYN Z. SUHOR
CERTIFIED PUBLIC ACCOUNTANT
Chalmette/ Mandeville offices
(985) 626-6160 • Cell (504) 722-6148
www.suhorcpa.com

Seniors



You have been saving your entire working life for retirement. What can you do to ensure you get the maximum benefit from your retirement income with as little tax bite as possible? To ensure your "Golden Years" are truly golden this Tax$avers discusses common topics relevant to anyone planning for retirement;

1. **Social Security**
2. **Retirement Plans**
3. **Estate Plans**
4. **Tax Code Benefits for Seniors**

1 Social Security

Started in 1935, Social Security is meant to provide a safety net for workers during retirement years.

Do I qualify?

- ***Yes,*** if you paid into the fund for forty calendar quarters (this equals 40 credits).
- ***Yes,*** if you:
  - are 62 or older
  - are a survivor of a deceased worker
  - have a qualified disability

To receive benefits you must apply by calling (800) 772-1213 or go to the administration web site: www.ssa.gov. The Social Security payments do not commence automatically.

How much do I receive?

Your benefit amount will change depending on your age when you apply to receive Social Security benefits, your annual earnings prior to retirement, the amounts you contributed, and whether you receive other income.

TAX$AVERS Tips: To make sure you get the most from Social Security:

- Periodically check to ensure your Social Security earnings history is correct.
- Conduct an analysis to determine when it is best to start receiving Social Security benefits. The longer you can wait, the greater the monthly payment may be to you.
- If you are age 62 to 64 and you are receiving Social Security benefits, track your other income. If your earnings exceed the limit for your age, your social security benefits may be reduced.
- Look into direct deposit. The Social Security direct deposit program is a safe, quick alternative to receiving a check in the mail.
- Look into withholding tax options. If you owe taxes or need to pay quarterly estimated taxes you may want taxes to be withheld from your social security check.

2 Retirement Plans

With the future uncertainty of the Social Security program, hopefully you have alternative savings resources ready for your retirement years.

Pension programs

If your company is providing you with a pension plan, please ensure you receive an annual review of the plan. It should tell you;

- The pay-out value of the pension
- The amount you are vested in the program
- The funding status of the plan

TAX$AVERS Tips:

- Assess the stability of the plan. With recent business mergers, bankruptcy's, and less than full funding of pension plans by some companies, the certainty of payment may not be as certain as you think.
- Your plan may offer you a one-time "lump sum" pay-out. Conduct an analysis to determine whether this option is best for you.

401 (k)s, IRAs, and similar programs

You may have taken advantage of the opportunity to contribute to a pre-tax retirement savings plan like a 401(k) or an IRA. If you have not yet retired, these savings alternatives are often the best bet in town. Why?

- Pre-tax contributions provide more savings available for compound interest growth.
- Employers often match a percentage of your contribution.
- Income taxes are deferred for years, until the funds are distributed to you.
- Investment alternatives are usually vast.

If you are currently in a plan, it is best to review the alternatives available for fund distribution to minimize the potential tax bite. Some items to consider:

- Withdrawals prior to age 59 1/2 could be subject to a 10% tax penalty.
- You must begin withdrawals by age 70 1/2.