

THE LIME NEWS



FINANCIAL LEARNING AMBASSADOR PEER TO PEER PROGRAM



PREPARING FOR RETIREMENT

By: Financial Learning Ambassadors

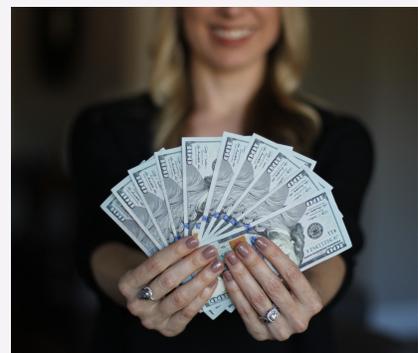
What is an IRA?

An Individual Retirement Account is a savings arrangement that helps you build wealth for the future with tax perks.

There are different types of IRAs.

Roth IRA:

- Earnings grow tax deferred
- Upon retirement, funds may be tax free, as contributions were made with after-tax funds



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Traditional IRA:

- Funds are tax deferred until withdrawn for retirement
- Contributions are tax deductible

Rollover IRA:

Move funds from a 401K or 403B into a traditional IRA

401K AND 403B

401Ks and 403Bs are employer managed retirement accounts. Often, they will match the employees' contributions and the money is then invested to grow tax free. Funds are taxable upon retirement since the contributions were made with untaxed funds.



The image is a video thumbnail for a video titled "What is a 401k? | by Wall Street Survivor". The video title is displayed at the top left. To the right of the title are icons for "Watch later" and "Share". The main content of the thumbnail is a large, stylized graphic that reads "401(k) MATCHING". Below this, a subtraction problem is shown: \$100,000 minus \$6,000 equals \$94,000. The numbers are written in a hand-drawn, colorful font. To the left of the calculation is a cartoon illustration of a woman with brown hair, wearing a white shirt and blue pants.

What is a 401k? | by Wall Street Survivor

401(k) MATCHING

\$100,000
- \$6,000

\$94,000

ROTH 401K VS. TRADITIONAL 401K EXAMPLE:



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Why plan for retirement?

Because the cost of living will increase and our marketability and strength will decrease. As we think of the future, it is important to consider that when retirement comes, we must have alternative forms of income that allow us to maintain our lifestyle. Additionally, it is important to save in accordance with our retirement goals.

Part of a successful retirement plan is having an emergency fund. This will be your go to when the unexpected knocks your door, allowing you to leave your retirement funds untouched.

Speaking to a financial advisor at your credit union or financial institution can be very helpful in preparing for this very important stage in life.

Lastly, remember that saving and investing for retirement helps you secure your financial future, start now.

NEXT STEPS

Financial Learning Ambassadors

1. ASK YOURSELF THE FOLLOWING QUESTIONS:

- AT WHAT AGE WOULD I LIKE TO RETIRE?
- ABOUT HOW MANY YEARS DO I NEED MY RETIREMENT TO COVER?
- AM I SAVING ENOUGH?

2. SCHEDULE AN APPOINTMENT WITH A FINANCIAL ADVISOR AT YOUR FINANCIAL INSTITUTION AND FIND OUT WHICH RETIREMENT PLAN IS BEST FOR YOU

3. START SAVING

