

WAYS TO PREPARE FOR RETIREMENT

Experts say you'll need 70% of your current income, and if you're a low-income family 90%, just to maintain your current standard of living after you retire. The good news is: It's never too late to start saving. So take charge of your future! Set goals and stick to them. The sooner you get started, the more time your money has to grow.

Then - Leave your savings alone! When you take away from your savings, you not only lose principal, but also interest, and maybe even tax benefits. If you change jobs, roll your savings over into a new Individual Retirement Account at your new job.

Social Security pays "Joe the Plumber" about 40% of his current earnings. Visit the Social Security Administration's web site at www.ssa.gov for more information about your benefits.

Find out what your job-related benefits are worth. Usually, you can get a statement of benefits by just asking. Ask if you can take your pension with you if you change jobs; and what benefits you could have from previous jobs. Have your spouse ask the same questions.

If your job offers a tax-sheltered savings plan, like a 401(k), sign up and contribute as much as you can. Your taxes will be lower and automatic deductions make it a snap. If you don't already have a retirement plan through your job, suggest they start one. Simple and easy plans can be established. Visit www.irs.com.

Contribute to an IRA. You can do this at a rate of up to \$3,000 per year and get tax advantages. There are two options: traditional IRA or Roth IRA. The type of IRA you choose determines the after-tax value of your withdrawals.

How you save is as important how much you save. Inflation and the types of investments you make play important roles in how much you'll have saved when it comes time to retire. Check out how your savings and pension are invested.

Talk with your job representative, financial advisor and bank. Ask questions and understand the answers. In 2004, only 42 percent of Americans had calculated how much they needed to save for retirement and at that time, the average American spent 18 years in retirement.

