



## Keep your retirement planning on track in 2011

**It's never too late to resolve to stay on top of your retirement planning. Take time to review the level at which you're currently contributing to a workplace 401(k), 403(b) or 457 plan, or an IRA. Figure out if you can increase your contribution levels. Next, we'll give you the most up-to-date guidelines on contributions to retirement accounts.**

### 401(k), 403(b) and 457 plans

By making pretax contributions to an employer-sponsored 401(k), 403(b) or 457 savings plan, you build a nest egg for retirement while reducing your income tax liability for the current year. Also, your funds grow tax-deferred in the plan; you pay no taxes on investment earnings until you withdraw these earnings from the plan.

In 2011, your maximum annual employee pretax contribution to a 401(k), 403(b) or 457 plan **is \$16,500. If you're 50 or older or will be by the end of 2011, your top pretax contribution is \$22,000, which includes a \$5,500 "catch-up" amount. Try** to contribute at least enough to take full advantage of any employer matching contributions **built into your plan; otherwise, you're essentially giving up a chance to receive free money from your employer.**

### IRAs

In 2011, **the maximum annual IRA contribution remains at \$5,000 per individual. If you're 50 or older or will be by the end of 2011, your maximum contribution is \$6,000, which includes a \$1,000 catch-up amount.** The IRA limit represents the total amount you can contribute to all your traditional and Roth IRAs combined. A Spousal IRA may also be available for a non-working spouse.

The ability to make a Roth IRA contribution is phased out as follows based on your Adjusted Gross Income (AGI):

- Single return: \$107,000 - \$122,000
- Joint return: \$169,000 - \$179,000

If you make more than the top amounts listed, you cannot make a contribution to a Roth IRA but could still consider a Traditional IRA contribution.

Finally, if your cash flow allows, you can contribute the maximum amounts shown above to both an employer-sponsored plan as well as to an IRA in the same year!

For more information, go to [www.citiatwork.com](http://www.citiatwork.com).

**Citi at Work**

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