

A University of Hawai'i Cooperative Extension Service Project

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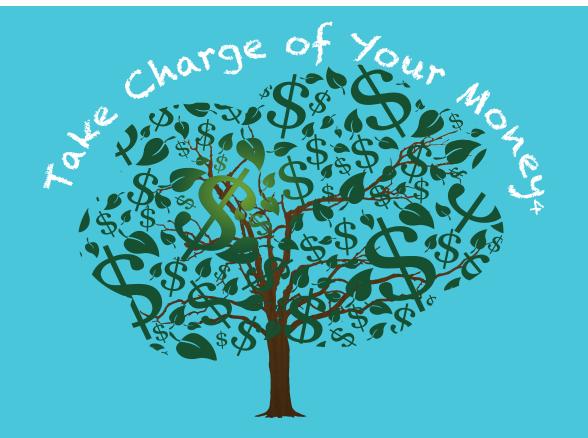
Course Objectives



 Increase your knowledge about financial planning

Improve your ability to make

informed decisions



Retirement Savings Plans

Presenter







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Central Pacific Bank

Lesson Objectives



Understand the different types

of retirement plans

- Learn which ones are sponsored by an employer
- Learn the difference between a ROTH IRA and a Traditional IRA

What is a Qualified Plan?



Set up by employer

- Eligible to receive tax benefits
- Deductible by employer
- Tax excludable by employee

until withdrawn

Interest is tax free

Qualified Plans



Defined Contribution

- •401(k)
- •403(b)
- •457
- Profit Sharing
- Defined Benefit



Individual Retirement Options



Traditional IRA

•Roth IRA —

2015 Maximum Contribution:

- \$5,500 or
- \$6,500

(age 50 or older)



Traditional IRA



- Introduced in 1974 with enactment
 of ERISA
- Originally contributions were deductible
- Tax Reform Act of 1986 phased out the deduction for higher-earning workers
- Contributions after 70 ¹/₂ are not allowed
- Contributions may be deductable
- Tax deferred growth

Roth IRA



- •Available Jan 1, 1998 named after Senator William Roth
- Contributions to a Roth IRA made with after tax dollars
- If you satisfy the requirements, <u>qualified distributions</u> are taxfree
- Contributions after 70 $^{1\!\!/_2}$ are allowed.
- Income limitations

	Filing Status	Modified AGI	Contribution
Roth IRA Income Limits	Married Filing Jointly or Qualified Widow(er)	< \$183,000 <u>></u> \$193,000	Up to the limit Zero
2015 charge of Your	Married Filing Separately	< \$10,000 <u>></u> \$10,000	Up to the limit Zero
	Single, Head of Household	< \$116,000	Up to the limit
S S S S S S S S S S S S S S S S S S S		<u>></u> \$131,000	Zero

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Credits



We would like to thank the following groups for their support:

- University of Hawai'i at Mānoa
 - College of Tropical Agriculture & Human Resources, Cooperative Extension Service, Department of Family & Consumer Sciences
 - Information Technology Services-Academic Technologies

•Central Pacific Bank