

# Securing Your Retirement Dollars:

## Is Your Plan in Order?

Part II of II Articles:  
**Building Your Retirement Nest Egg**



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The question of whether Americans can provide for their own retirement is a critical issue today. The uncertain future for both Social Security and traditional company-sponsored pension plans is changing the way people will finance their retirement years.

This new reality means the most dependable sources of retirement income are those you create yourself. The once reliable “three-legged stool” of retirement income (Social Security, a traditional company pension, and personal savings) is looking more like a “pedestal” with personal savings as the foundation.

### “Head-in-the-sand” syndrome

Adding to this crisis is that many Americans seem to be in denial about their need to take responsibility for their own retirement planning. The fact is, nearly one-third of Americans have not even begun to plan or save for retirement. And, of those who have set money aside for retirement, one-fourth of them do not know how much they’ve saved. As evidenced by the growing number of people either delaying their retirement or returning to work after

retirement for financial reasons, lack of solid retirement planning is a serious problem.

How can you build up your personal income for the retirement years? In addition to the possible options available from a permanent life insurance policy (covered in part one of this two-part series), several other important retirement funding options can help you accumulate money, some offering great tax advantages. These options include employee-sponsored plans, self-employment plans, individual retirement accounts, and annuities to name a few.

### Employer-Sponsored Plans

If your employer offers a salary reduction plan (such as a 401(k) or “cash or deferred plan”), you can put away part of your salary and not pay income taxes until the money is withdrawn. Since many employers will match all or a portion of the amount an employee saves – it’s often beneficial to save the maximum amount possible. Money may be withdrawn when you retire, if you become disabled, leave the company or suffer a certain financial hardship. However, like IRAs, strict rules, penalties and taxes may apply to early withdrawals.

### Securing Retirement

#### Self-Employed Plans

If you are self-employed, even part-time, you may have additional tax-qualified and IRA based retirement plan options to help put away money for retirement.

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