

## Ring In The New Year With Extra Retirement Savings



Some things — like tax relief and Halley’s Comet — might come around just once or twice in a lifetime. While the 2 percent Social Security tax reduction isn’t likely to rival Halley’s blazing ball of cosmic ice and dust, it can leave a lasting impression long after 2011 has come and gone.

### Making The Most Of Your 2 Percent

The recently passed Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 provides a reduction in Social Security tax from 6.2 to 4.2 percent in 2011 only. The new tax break means a 2 percent increase in take-home pay on your income up to \$106,800.<sup>1</sup> For example, if you make \$50,000 each year, that’s an extra \$1,000 in your pocket for 2011.

To enjoy the best potential results, you’ll have to take that money *out* of your pocket and invest it. There is perhaps no better place to do so than in your retirement plan where your pre-tax contributions can grow tax-deferred until you withdraw them.<sup>2</sup>

### Take Advantage Of The Tax Relief Today

So while it may be tempting to take the 2 percent reduction and spend it on your passion of the moment, it’s hard to argue with the logic of investing today for a potentially much larger amount at retirement. If this opportunity is similar to Halley’s Comet, another one like it may not come around for a very long time.



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