

Tax-Favored Retirement Savings

The Power of Tax Deductions and Tax-Deferred Accumulations

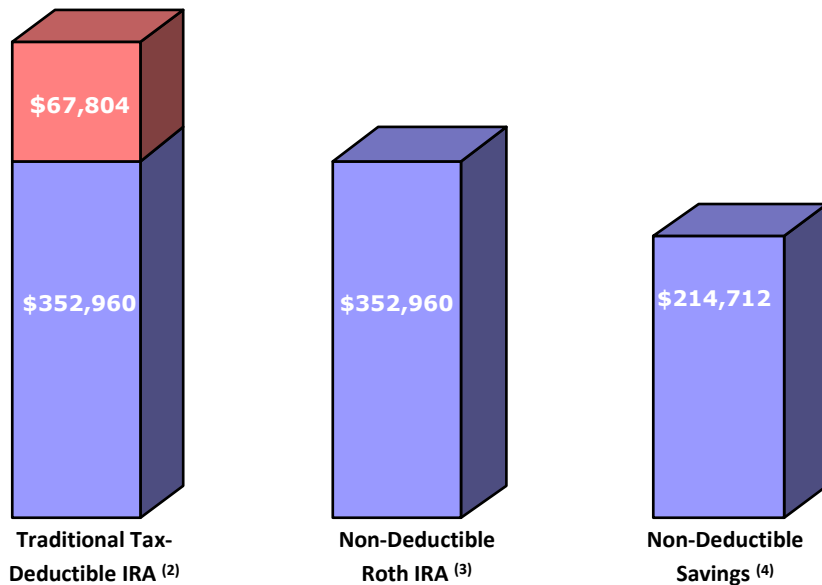
Those who qualify for a traditional **tax-deductible IRA** can use money that would otherwise be paid in taxes to establish a retirement fund that accumulates tax deferred. Taxes, however, must be paid as distributions are received from a tax-deductible IRA.

A second alternative for those who qualify is the **Roth IRA**. While contributions to a Roth IRA are not tax deductible, the retirement fund accumulates tax deferred and distributions are received free of income tax.

Either a traditional tax-deductible IRA or a non-deductible Roth IRA can produce results superior to a savings plan whose growth is taxed.

20 Year Results ⁽¹⁾

8% Hypothetical Annual Rate of Return/\$7,000 Annual Contribution/24% Income Tax Bracket



See Page 2 for footnotes.

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(1) *This is a hypothetical illustration only and is not indicative of any particular investment or performance. It does not reflect the fees and expenses associated with any particular investment, which would reduce the performance shown in this hypothetical illustration if they were included. In addition, rates of return will vary over time, particularly for longer-term investments. Depending on the performance of your IRA investment, it is also possible to lose money.*

(2) **Traditional Tax-Deductible IRA:** *Assumes the \$1,680 annual tax savings are invested in an account whose growth is taxed each year. If the \$352,960 value of the tax-deductible IRA is surrendered at the end of the 20th year, the principal amount remaining after payment of income tax is \$268,250 at a 24% rate (assumes no penalty tax is assessed). When added to the future value of the tax savings (\$67,804), on which income tax has already been paid, the after-tax value of the IRA plus the future value of the tax savings results in total cash available of \$336,054.*

(3) **Non-Deductible Roth IRA:** *If surrendered at the end of the 20th year, the full principal amount of \$352,960 is available free of income tax (assumes no penalty tax is assessed).*

(4) **Non-Deductible Savings:** *Assumes the income tax is paid out of investment earnings each year, meaning that the full principal amount of \$214,712 is available free of income tax at the end of the 20th year.*