

# First Financial Group Of America

## Employee Retirement Savings Newsletter

August 2007

### A SMART APPROACH TO MEETING YOUR FINANCIAL GOALS

Contributing to a tax deferred annuity gives you the opportunity to supplement other retirement plans and enjoy tax advantages along the way.



### GETTING STARTED, WHAT TO DO AND HOW MUCH CAN I CONTRIBUTE?

Current contribution limits are as follows:

Under age 50 - \$15,500

Age 50+ - \$ 5,000 extra

15 years of service catch-up - \$3,000

(Must qualify in order to do the 15 year, if qualified, you must utilize prior to the 50+ catch-up)

Complete our salary reduction agreement along with the application and additional paperwork required by the investment carrier.

Your agent must have completed the agent enrollment on our website [www.ffga.com](http://www.ffga.com) prior to submitting business.

Changes only: Use our salary reduction agreement, can be obtained at [www.ffga.com](http://www.ffga.com), retirement services .

Need an agent? Call the Retirement Specialist at 800-523-8422, for agents in the area.



### IMPORTANT TAX INFORMATION RETIREMENT SAVINGS TAX CREDIT (SAVER'S CREDIT)

If you make contributions to a qualified employer-sponsored retirement plan such as 403(b), 457, or 401k, or to an individual retirement arrangement, you may be able to take a tax credit!

The Retirement Savings Contributions Credit applies to:

- Individuals with incomes up to \$25,000 (\$37,500 for a head of household).
- Married couples, filing jointly with incomes up to \$50,000.
- You must be over the age of 18, and you can not be a full-time student or be claimed as a dependent on another person's return.

You may be able to take the credit of up to \$1,000 (up to \$2,000 if filing jointly), if you make eligible contributions to a qualified 403(b), 457, IRA, or certain other retirement plans!

The credit is a percentage of the qualifying contribution amount, with the highest rate for taxpayers with the least income. The Retirement Savings Credit is in addition to other tax benefits which may result from retirement contributions. For example, most workers at these income levels may deduct all or part of contributions to a traditional IRA.

Need more information? Review IRS Publication 590, Individual Retirement Arrangements and Form 8880, Credit for Qualified Retirement Savings Contributions which include the instructions. The publication and forms can be downloaded at [www.irs.gov](http://www.irs.gov) or by calling (800) TAX FORM (1-800-829-3676).

### WHERE CAN I GET MORE INFORMATION?

You can get additional information from the First Financial website, <http://www.ffga.com/>, under Retirement Services. If additional information is needed you can call a Retirement Service Specialist at 800-523-8422.