Your Conservative Advisory Firm Since 1990 ***Second Quarter 2016***

Fully Fund Your Retirement Accounts for 2015 and 2016

Before April 18th, fully fund your retirement accounts for 2015, and we would recommend that you begin to fund 2016 as well. The sooner your accounts are funded, the sooner your money goes to work for you. For 2015 and 2016, contribution limits are the same, as shown in the following table.

Type of Retirement Plan	**Maximum Annual Contributions**	
	2015 and 2016	
	Under Age 50	**50 and Older**
Individual Retirement Plans		
Traditional and Roth IRA	$5,500	$6,500
Employer-Sponsored Retirement Plans		
401(k), Roth 401(k), 403(b), 457 and SARSEP Plans - Employee contribution	$18,000	$24,000
SEP (Simplified Employee Pension) IRA	**Employer** contribution - 25% of compensation up to $53,000 **Employee** contribution up to $5,500 under age 50; $6,500 over age 50	
Small Business or Self-Employed Retirement Plans		
Self-Employed 401k (a.k.a., Solo-401k, Individual 401k, Roth 401k)	Salary deferral of 20-25% of compensation, plus $18,000 (under 50) or $24,000 (over 50) in 2015 and 2016 - up to a maximum of $53,000	
SIMPLE (Savings Incentive Match Plan for Employees) **IRA - Employee contribution**	$12,500	$15,500
Coverdell Education Savings Account*		
Per beneficiary under age 18	$2,000	
Annual Gift Tax Exclusion		
Amount that can be given from an individual to an individual without incurring gift taxes	$14,000	

Adding to the funds you have saved for retirement as a number of big benefits. The first is that your money grows tax free. Taxes can eat away 40% or more of the earnings on your investments depending upon your tax bracket. That's a big bite out of the funds you have available to benefit from compounding over time. Active investment strategies, where short term profits are more likely, also benefit from tax-deferral, again avoiding the erosion of funds available for compounding that might be taxed at the investor's top tax rate. Retirement accounts can also minimize the tax bite of passing assets on to heirs. Retirement accounts are protected by law from creditors. Equally important, retirement accounts tend to be "hands-off" accounts. These are funds that investors tend to dip into only when absolutely essential, creating a savings discipline that other account forms may lack.

Sincerely,

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