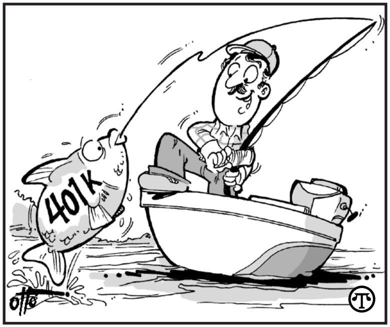
Stop Right There—Look At Your 401(k) Today

(NAPSA)—Today, the responsibility of saving for retirement has shifted away from the employer and landed squarely on the shoulders of employees. Whether you are a "20 something" in your first real job or nearing retirement, planning needs to be a top priority. With the significant advances in medicine and health care, you have the potential to live longer than previous generations and will likely need 100 percent or more of your preretirement income level in retirement to cover those related health care costs, according to NAVA.

"Traditional pension plans are disappearing and the future of Social Security benefit levels is uncertain," said Westley Thompson, president, Employer Markets, Lincoln Financial Group. "Ultimately, you are solely responsible for making sure you have lifetime income you can count on."

One of the best ways to save is through your company's retirement plan. With 78 million baby boomers nearing their retirement years, according to the Census Bureau, there is concern about quality of life and having enough money to last through retirement. In fact, the Lincoln Long Life Survey, by the Lincoln Retirement™ Institute, found that 62 percent of affluent boomers are expected to spend 20 or more years in retirement. To ensure you do not fall short for retirement, it is vital to start early to set yourself up for future success.

The time to save in a 401(k) plan is now. Here are a few of the significant benefits to consider:



Teach a man to fish and he'll never go hungry; teach a man to save and he'll prepare for his future.

• **It's free money.** Most companies will match a portion of the money you contribute to your 401(k) plan. This is a major incentive to participate in your 401(k) plan and increase your contributions every year by even just 1 percent.

• **Shrink your tax bill.** The money you set aside is deducted from your paycheck before wages are taxed. Because the money is not included in your current taxable income, you pay lower current federal income taxes and, in some cases, lower state income taxes.

• **Reap the benefits.** Taxes aren't due on the money saved—or on any investment earnings—until the money is taken out of your 401(k) plan. By the time you withdraw money and pay taxes, you'll most likely be in a lower tax bracket. If you withdraw money before age 59½, the money may be subject to an additional tax penalty.

• **Save for your future.** It's important to remember that the money you invest in your 401(k) is there for the long haul, so be sure to set aside a set amount on a regular basis.

One thing you may not have heard about is the Pension Protection Act of 2006, a piece of legislation that empowers employers and their employees to take a more active role in saving for retirement. Ask your employer if your company is planning to update its retirement plan based on new provisions made permanent by the Act, such as default funding or "autopilot" retirement programs that create additional opportunities for you to save for retirement through Roth contributions, catch-up contributions and higher limits.

Your employer can also offer counsel regarding payout options as you head toward retirement. Many employers are partnering with respected plan providers to offer employees innovative products that help address retirement risks such as longevity, inflation, market volatility, long-term illness and health care costs to help ensure that savings will last a lifetime.

If your company offers a 401(k) plan and you haven't enrolled, do it today. If you are enrolled, remember to increase your contribution by at least 1 percent each year. Be sure to remain diligent with your 401(k) contributions and before you know it, you'll have a nice hefty chunk saved for retirement. For more information, please visit www.lincolnfinancial.com.