



RETIREMENT FACTS & FIGURES

Investing In Your Future With An IRA

(NAPSA)—For many investors, the market movements of the last two years have been a rude awakening. Some have even been surprised to discover that markets can go down as well as up. However, this financial and emotional turmoil of the recent past does not mean investors should stop preparing for their retirement years.

While market downturns can make investors nervous, it's important to remember that past market slumps haven't lasted forever. History suggests that investors who stay in the market for the long term tend to prosper.

Many experts see Individual Retirement Accounts (IRAs) as an excellent way to weather the short-term movements of the market.

That's because IRAs as a retirement vehicle encourage a long term view towards investing.

It is important to remember that an IRA is not an investment. Rather, it is a type of account where contributions are invested. Most financial services firms offer investors a wide array of investment vehicles—ranging from stocks to bonds to mutual funds—to choose from when setting up an IRA.

In general, investors can select from three kinds of IRAs—Traditional IRAs, Roth IRAs, and Rollover IRAs. Each has different advantages.

With a Traditional IRA, earnings are tax-deferred until the money is taken out—and it's possible for some investors to qualify for a tax deduction on contributions.

The Roth IRA allows an investor to contribute after-tax money to the account. Earnings, however, are tax free when taken out of the account at retirement.

A Rollover IRA makes it possible to combine several IRAs or retirement plan assets into a single account and maintain tax-deferred



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growth without the aggravation of keeping track of multiple account statements.

For the tax year 2001, eligible investors have until April 15 of 2002 to make IRA contributions. Currently these contributions can be as high as \$2,000 per year.

In addition, new pension rules will permit individuals to contribute even more to IRAs beginning with the 2002 tax year.

Eligible investors will be able to deposit up to \$3,000 if under age 50, and \$3,500 if age 50 or over. These limits will increase to \$5,000 (under age 50) and \$6,000 (age 50 and older) by 2008. This will make it possible for IRAs to become an even greater component of an investor's retirement strategy.

For more complete information about IRAs, including charges and expenses, please call TIAA-CREF at 1-800-842-2888 (8 a.m. to 11 p.m. ET weekdays, 9 a.m. to 6 p.m. ET Saturdays) or visit www.tiaa-cref.org/iras on the Web to obtain a prospectus.

As with all investments, please read the prospectus carefully before investing. Teachers Personal Investors Services, Inc. is the distributor for TIAA-CREF.