



## RETIREMENT SOLUTIONS

### RETIREMENT SAVINGS VEHICLES

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*Flexible Choices to Fit Your Retirement Needs*

**Northern Trust can help you find the best solutions so you can make the most of your retirement savings.**

Setting aside a percentage of your earned income and maximizing contributions to retirement plans such as 401(k) plans and IRAs is an effective way to accumulate assets for retirement. Northern Trust offers a comprehensive array of individual retirement options to assist you with your retirement goals.

#### TRADITIONAL IRA

A Traditional IRA (individual retirement account) lets you make tax-deductible contributions of up to \$5,000 each year (\$6,000 in 2009 if you are over 50<sup>1</sup>) to a retirement account that grows tax-deferred until you withdraw the money. (Note: the tax deductibility of IRA contributions is allowed to the extent your adjusted gross income does not exceed an applicable threshold.) Traditional IRAs are subject to required minimum withdrawals starting when you reach age 70½, and you cannot make contributions to an IRA after the year in which you reach age 70½. (Note: the required minimum distribution for IRAs has been waived for 2009.)

#### ROLLOVER IRA

A rollover IRA enables you to move tax-free money from a qualified company retirement plan such as a 401(k) plan into a Traditional IRA. With a rollover IRA, you continue to receive tax-deferred growth of your retirement savings.

#### ROTH IRA

Contributions to a Roth IRA are not tax deductible like a Traditional IRA. Assets in the account grow tax-free and, unlike a Traditional IRA, can be tax-free when you withdraw them. A Roth IRA also has no required minimum distribution or age restrictions when making contributions, which makes a Roth IRA a good option for people who want to maximize the assets in their retirement years and eventually leave some assets to their heirs. You can convert your Traditional IRA to a Roth IRA in 2009 if you have a modified adjusted gross income of \$100,000 or less. However, this income restriction is due to be eliminated in 2010.

#### EMPLOYER-SPONSORED PLAN

The 401(k) plan and related employer-sponsored plans — such as profit sharing plans, 403(b)s, 457s and simplified employee pensions (SEPs) — are by far the most popular retirement savings vehicles available today. Contribution limits are higher than for IRAs and the plans typically offer several mutual funds from which to choose. 401(k) contributions are made pre-tax and plan assets grow tax-deferred. You must begin taking minimum annual distributions in the year after you retire or turn 70½, whichever is later. Recent legislation has suspended the required minimum distribution for employer-sponsored plans in 2009. This enables you to keep money in your account that would have otherwise been withdrawn in 2009, without incurring any penalties.

<sup>1</sup> <http://beginnersinvest.about.com/cs/iras/a/iracontribution.htm>

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## RETIREMENT OPTIONS – NON-DEPOSIT INVESTMENTS\*

- **Brokerage IRA** – Northern Trust Securities, Inc. offers a variety of customizable investment solutions, including individual securities.
- **Mutual funds** – Northern Funds offers a family of mutual funds designed to offer investors a wide range of investment options.

## RETIREMENT OPTIONS – BANK DEPOSITS

- **Certificates of deposit (CDs) and money market accounts** – IRA deposit accounts with varying minimum opening deposit amounts and time frames are FDIC-insured up to \$250,000.

## DEFINED BENEFIT PENSION PLAN

Pension plans promise a specific annual amount that an employee will receive at retirement based on a formula. Typically benefits are not affected by market fluctuations.

## ANNUITY

An annuity pays you a monthly benefit for your lifetime or for the lifetimes of you and your surviving spouse. This option guarantees a lifetime benefit, however, if it pays a fixed amount, inflation may reduce its purchasing power. Under most plans, the original monthly payment is determined by your age (or your age and your spouse's age in a joint annuity). However, annuities lack the flexibility to deal with special cash flow needs and emergencies.

## FOR MORE INFORMATION

To learn more, contact a Northern Trust professional near you or visit [northerntrust.com/retirewell](http://northerntrust.com/retirewell).

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**Please carefully read the prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds before investing. Call 800-595-9111 to obtain a prospectus, which contains this and other information about the funds.** Northern Funds are distributed by Northern Funds Distributors, LLC, Boston, MA, not affiliated with Northern Trust.

Securities products and brokerage services are sold by registered representatives of Northern Trust Securities, Inc. (member FINRA, SIPC) and a wholly owned subsidiary of Northern Trust Corporation.

\* There are risks involved in investing, including possible loss of principal. There is no guarantee that the investment objectives of any fund or strategy will be met. Risk controls and asset allocation models do not promise any level of performance or guarantee against loss of principal. Investments, securities products and brokerage services are:

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

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**Northern Trust**

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