

# 5 Steps to Maximizing Your IRA

When it comes to planning for retirement, the more you save today, the better prepared you'll be tomorrow. That's why we are sharing five easy steps to take right now that could make all the difference in reaching your goals.

1. **Maximize your annual IRA contributions.** For 2013, the maximum amount you can contribute to a Traditional IRA or a Roth IRA is \$5,500. Individuals ages 50 and older can make an additional catch-up contribution of \$1,000—for a total contribution of \$6,500.
2. **Invest on a regular basis.** Making regular monthly contributions to a brokerage account or a 401(k) can add up over time. A \$250 monthly contribution could potentially grow to \$127,601<sup>1</sup> after 20 years, assuming an average annual rate of return of 7 percent.
3. **Set up automatic investments.** Establishing a periodic investment plan<sup>1</sup> is easy to do and helps put your retirement savings on autopilot. Set up direct deposit to put a portion of your paycheck into your IRA.
4. **Consolidate IRAs.** If you have multiple IRAs at several financial institutions, consider transferring them into a single account. You'll have a more complete look at your financial picture, and it will be easier to manage those assets. You'll also reduce the number of statements and tax forms you receive, and potentially reduce fees.
5. **Roll over 401(k) accounts from former employers.** If you've changed jobs or plan to retire, why leave your 401(k) plan behind? Although there may be good reasons for keeping an old 401(k) plan intact, moving it to a Rollover IRA has its advantages. For one, you'll have better control over the management of those assets and more flexibility to

access those dollars.

<sup>1</sup> Periodic investment plans and dollar cost averaging do not assure a profit or protect against losses in declining markets. Such plans involve continuous investment regardless of market conditions. Markets will fluctuate, and clients must consider their ability to continue investing during periods of low price levels. The above hypothetical example illustrates the potential value of regular monthly investments and assumes an average annual rate of return of 7 percent. The end value doesn't reflect taxes or fees. Earnings and pretax contributions from Traditional IRAs are subject to taxes when withdrawn. IRA distributions taken before age 59½ may also be subject to a 10-percent penalty. Earnings distributed from Roth IRAs are free from income tax, provided certain requirements are met.

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## Weekly Market Summary

Little movement is expected in the Treasury market to start off the week, as investors wait for notes from the Federal Open Market Committee (FOMC) meeting this Tuesday and Wednesday. The 10-year Treasury stood at 2.12 percent early Monday morning.

Given volatility in the markets and a slowing economy, many expect Federal Reserve Chairman Ben Bernanke to confirm a continued commitment to quantitative easing. [Read more now](#).

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# Weekly Market Summary

Volatility continues to be the main theme in the Treasury space. In the past week, the yield on the 10-year Treasury has moved from 2.17 percent, down to 2 percent late Friday, and back up to 2.17 percent early Monday morning. [Read more in our Weekly Market Summary.](#)

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# Weekly Market Summary

Treasury yields started this week near where they had ended the last, with the 10-year hovering around the 2.17-percent level. It seems that bond investors are waiting for another event or announcement to give them clarity on the direction of short-terms rates. [Read more now in our Weekly Market Summary.](#)

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# Get Ready for Changes in How You Purchase Health Insurance

[Read our Navigator newsletter.](#)

The Affordable Care Act, having been ruled constitutional by the Supreme Court, is picking up speed and momentum like a huge boulder rolling down a mountain. The ACA will land on your

doorstep Jan. 1, 2014, accompanied by thousands of pages of regulations from a variety of federal agencies, including Health and Human Services, IRS, Department of Labor, Center for Medicare Services, and even Homeland Security.

Although we are still waiting for pricing and plan designs to be revealed, this edition of our Navigator newsletter will help you start thinking about your options.

For almost 150 years, Allen Insurance and Financial has been helping our clients with insurance and financial issues, and we're committed to helping you navigate the complexities of this massive new law.

In this newsletter, Dan Wyman and Sherree Craig discuss how the ACA will impact individuals, small groups, and larger organizations. Dan is Allen's group benefits department manager, as well as a broker, consultant and attorney focusing on group benefits. Sherree is Allen's large group health insurance guru and account manager.

[Read our Navigator newsletter.](#)

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## **Weekly Market Summary – 5/28/13**

The yield on the 10-year Treasury remained above 2 percent early Monday morning, after being as low as 1.91 percent last Wednesday, before the Federal Open Market Committee (FOMC) minutes were released and Chairman Bernanke spoke before Congress. [Read more now in our Weekly Market Summary.](#)

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# Offices Closed Memorial Day

Our offices will be closed Monday, May 27 for Memorial Day. We wish everyone a safe and happy weekend.

We will be back at work Tuesday, May 28 at 8 a.m.

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## Lindsey Eaton Joins Our Camden Office Staff



Lindsey  
Eaton

Lindsey Eaton of Hope has joined Allen Insurance and Financial as a scanning associate in the company's Camden office.

A Camden native and graduate of Camden Hills Regional High School, Lindsey is new to the insurance industry and is studying for her Maine property & casualty license as part of the Allen Insurance and Financial in-house education program.

As a scanning associate, Lindsey plays a key role in Allen's paperless office system. She also supports members of the administrative staff and reception in the Camden office.

"I enjoy the variety of tasks my job requires," she said. "And I enjoy being part of the front desk team. I am people-person – I

love interaction with others.”

Outside of work, Lindsey enjoys spending time with her young daughter, family and friends.

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## **Weekly Market Summary – 5/20/13**

After testing the 1.95-percent level before retreating to 1.86 percent last Friday, the yield on the 10-year Treasury was back up to 1.95 percent on Monday morning. This is a key number for the 10-year; should rates break on the upside, we could see yields of 2 percent or even 2.10 percent. More downside pressure is expected as we head into early summer, however.

[Read this week's Market Summary.](#)

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## **Weekly Market Summary – 5/13/13**

Treasury yields were higher last week, with the 10-year ending the week at 1.89 percent, up from the prior week's 1.72-percent finish. On Monday morning, the yield remained at 1.89 percent.

Strong price momentum pushed equity markets higher last week, and the S&P 500 gained 1.29 percent. Higher-beta indices and

the more cyclical sectors led the markets higher as the risk-on trade came back into vogue.

[Read more now in this PDF of our Weekly Market Summary.](#)