## IRAs Offer Savings on Taxes While Providing for Retirement

divorced hairdresser, liked her job at a small beauty salon but felt uneasy when she thought about retirement: Would her Security checks be enough to live on comfortably?

Her friend Barbara Cooper, a homemaker, had never thought much about retirement because Barbara's husband, George, made a good living as a self-employed electrician. But when George thought about the future, he sometimes wondered whether he would be better off working for a large company that offered a pension plan.

Theses individuals are not real but their problem is. Nearly one million North Carolinians are not covered by pension plans they because self-employed or working for comapnies without the retirement programs.

But these people can provide for their retirmenet - and save pn taxes while

doing so - by opening posits, throughout the year, individual Retirment IRAs offer two-fold Accounts (IRAs), which are do-it-yourself retirement savings plans.

Through IRAs, working persons who are not covered by qualified pensionplans can deposit as much as 15 per cent of their earned income, up to \$1,500 a year. In this case a total of up to \$1,750 may be contributed to separate accounts up to \$875 each.

Banks are permitted to offer as much as eight per cent annual interest on the accounts. This means that a person who opens an IRA at age 35 and deposits \$1,500 a year will have a nest egg of \$200,367 at age 65. The same deposits would grow to only \$94,708 in a regular taxable savings account. Many IRA plans allow participants to make deposits on

a flexible basis, including

weekly or monthly de-

first, contributions to the accounts can be counted as deductions from the year's gross income, thus reducing the amount of income taxes owed, and second, tax rates are usually lower when contributions and interest earned are withdrawn during retirement years, Withdrawals from IRAs may begin as early as age

savings on income taxes:

½ and as late as age 70 1/2. Except in cases of death or permanent disability, early withdrawals are subject to federal penalty taxes. If death occurs, at any age, the IRA funds are paid to the beneficiary without penalties.

Before opening an IRA, a person should check on the amount of interest offered, how it is compounded and how long is is guranteed, according to James T. Brewer, head of the Retail Banking Department of Wachovia Bank and Trust Company in Winston-Salem. Other factors to consider are how often deposits may be made, how often withdrawals may be made afte after retirement and whether the bank charges an

administration fee. Women working in a wide range of jobs, including those who don't work outside the home, may be eligible for the plans, Brewer said. Married women who do not earn wages can be covered under

their husbands IRAs.

Women today have a greater need than ever before to establish longrange financial plans, said Brewer. He attributed the need to the increasing number of women in the workforce and the increasing number of families with incomes from both spouses, as well as the

increasing number of oneparent homes.

The discontinuation of pension plans at many conpanies during the last three years also has affected many women who might have been counting on a retirement annuity.

Brewer said recent federal regulation changes benefit those holding the accounts:

- The annual interest rate has been raised from 74 per cent to eight per cent. - The previous Febru-

ary deadline for establishing or contributing to an IRA has been extended to when tax returns are filed, including extensions.

-Reporting has been simplified. Standard reporting for income taxes may now be made on form 1040 without using additional forms.

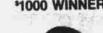




AMBASSADOR'S LUNCH - Andrew Young (R), U.S. Ambassador to the United Nations, lunches with Israeli U N Amb. Joel Alon at function held by the Anti-Defametin League of B'nai B'rith. Amb. Young was the principal speaker

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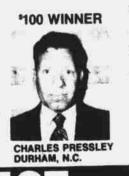
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## PART-TIME ATHLETES If you're an adult jogging your events. However, some

way to physical fitness, you're studies indicate that complex burning approximately 700 calories an hour-almost dou- or pasta-are the best energy ble the number used by tennis source for prolonged events players in the same amount of because they produce more time. You consume 725 to 1000 calories per hour running muscles and other tissues. and 270 to 500 calories an hour bicycling.

Using all this extra energy. do part time athletes need special foods or diet supplements? In general, nutritionists agree that the best diet for an athlete is not very different from that for the same person engaged in less vigorous pursuits. Everyone needs the same basic nutrients: vitamins, minerals, carbohydrates, fats, proteins and wa-

The major difference beenergy during sports activity, it usually makes little differdrate or fat in short term smaller meals.

carbohydrates-such as bread oxygen which is needed by the

Your need for protein doesn't increase with strenuous exercise-contrary to belief - but your water requirement does, as well as your need for certain minerals. It's important to drink an

adequate amount of liquid during vigorous activity to replace the water and minerals lost through perspiration. Water is the best choice because it travels rapidly through your bloodstream to all parts of the body. Soft drinks and tween active and inactive fruit and vegetable juices conpeople is the amount of water tain enough sugar to delay the and calories needed. And passage of liquid to the body while you need more calories areas where it is needed, per hour to provide continued thereby producing a feeling of

Most authorities recomence whether the extra calories mend three balanced meals come from protein, carbohy- each day or perhaps five to six

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