

Retire To Riches

by Charles T. Byrd Jr., CPA

Many people have the attitude that retirement should not be an issue until you get there. However, most of us may try to live on Social Security if not the recipients of unforeseen riches. The point of how legislation may be the difference between survival and luxury.

If you are self-employed or not covered under a qualified pension plan, then you can now set up a tax-sheltered retirement plan. By virtue of a Keogh or Individual Retirement Account (IRA) you can have a plan as good as the ones provided by large corporations.

The Klogh plan, for self-employed persons, permits 15 per cent of your earned income, to a maximum \$7500, to be contributed every year to your retirement fund. Earned income below \$750 may be contributed in its entirety.

Income in the range of \$750 to \$5000 entitles a contribution of \$750. Every dollar that is put in the retirement plan is deductible from gross income on your Federal tax return for that year.

The amount that is contributed may vary according to earned income or a decision to put in more or less money. You may even decide not to contribute anything and still keep the fund active.

An Individual Retirement Account is basically the same as the Keogh plan. However, you may contribute 15 per cent of your income up to a maximum of \$1500. The IRA and Keogh Plan may both be invested through banks, savings and loans, insurance companies, mutual funds, etc.

In both cases you can't begin to receive payments until age 59½. There are severe penalties for early withdrawals. Not only is a 10 percent penalty imposed on the amount withdrawn, but you will be disqualified from the plan for a period of five years. In addition, the amount withdrawn must be declared as gross income and taxes paid on it.

To give an example of the growth of the fund, let's assume that \$1500 is put aside yearly beginning at age 30. At age 65, assuming an interest rate of 7.75 per cent, your fund will amount to \$290,392. Your investment equals \$152,500 and interest adds \$137,892.

The idea of a retirement plan is to provide old-age income. The ability to save now may make the difference between survival and luxury in the golden years.

Man-In-The-Street

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programs up. The North Carolina Central Law school is a prime example."

Gerald Pate said, "In certain areas they do, but in others I don't think this is the case. However, if black schools continue to be short changed, when it comes to funds this will become a reality, and many black schools may have to close their 'doors'."

Cynthia Norwood answered differently than all others saying, "I think the educational system in the U.S. is decadent and needs to be restructured entirely."

"It's no longer relevant to the survival of people. This is true in black and white schools and has always been the case. The Inner Communal Institute in Oakland California run by

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the Black Panthers is the most advanced school in the nation."

No clear conclusion can be drawn from these answers but the answers do show that the majority of people feel that black schools are being short changed in educational funding, facilities and programs.

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Business- What Is It?

By Naomi C. McLean, CPS Business Writer

Business is a matter of faith. The belief that people will buy, will deliver, and will pay as they agree. Included factors are character and personal influence.

With it we have the dependence upon one another that gives us civilization. Without character we have the isolation of the individual, the chaos of deceit and mistrust.

Character is also the accumulated result of moral thrift — the development and conservation of what is good — the denial of the waste of immoral practices.

Is the factor which lies at the foundation of all satisfying work, which means little success today develops a bigger success tomorrow.

However, it should be

remembered, a business doesn't have to become impersonal because it is getting bigger and shows

success lies in the benefits that a business brings to its customers and to its employees.

Forsyth Democratic Women Hold Meeting

The fall meeting of the Democratic Women of Forsyth County will be held at Salem Fine Arts Center, September 19th. The featured speaker will be Former Governor Terry Sanford, now president of Duke University. The meeting will begin at 8:00 p.m. and is open to the public.

JOSH RILLINGS Sez...



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