

ASR RADIO RELEASE

WORDS: 550

TIME: 3 Min. 45 Sec.

FOR IMMEDIATE RELEASE

PAYMENT FOR HOUSEWORK IMPROBABLE, BUT PENSIONS FOR HOUSEWIVES NOW POSSIBLE

For the first time since Eve picked up a broom and swept out the Garden of Eden, housewives can qualify to receive a pension by staying at home and doing their job -- housework. This new retirement plan, part of the Tax Reform Act of 1976, is designed to relieve some of the financial burdens many women face when they get older.

Until this provision was passed, millions of non-employed wives had to rely upon Social Security benefits and payments, if any, from their husbands' retirement plans for income during their later years. According to a Senate Tax Force report on Women and Social Security issued last year, one out of three women "out on their own" exists on income below the poverty level -- that's around \$3500 a year. In mid-1975, the average monthly Social Security payment to women was \$181 per month.

The new pension program, effective January 1, 1977, is set up through an Individual Retirement Account, popularly known as an I.R.A. This is a government-authorized program in which individuals may invest for their retirement. The recently-signed law permits a husband who is not covered by a company retirement plan to make contributions to an I.R.A. on behalf of his non-employed spouse and himself. For such an account, the maximum yearly contribution is \$1750 or 15% of annual earnings, whichever is less. An I.R.A. plan of this type may also be opened with subaccounts where the contributions are formally earmarked for each spouse: so the maximum annual contribution is \$875 per person. And working wives not covered by a company retirement plan may make I.R.A. contributions on behalf of househusbands too.

(more)

Comune di Padova
Sistema Bibliotecario

ALF - SLD

Sez. 6

Sottosez.

Serie 9

Sottos.

Unità 215

PUV 55

All contributions to an Individual Retirement Account are deducted on the couple's Federal income tax return, thus giving them immediate savings. And these days, who doesn't want to save on taxes? Of course, when these contributions are eventually taken out at retirement time, regular income taxes will be paid on them. But most people in their later years have lower earnings and will therefore pay less taxes on their income. Moreover, the dividends and other earnings on these I.R.A. contributions won't be taxed until they too are withdrawn, again normally after retirement. So less taxes will be paid on them too. These contributions can really accumulate over the years into a comfortable nest egg -- especially helpful in the face of inflation.

I.R.A.s can be set up in a variety of investments, like savings accounts, government retirement bonds and annuities. They can also be invested in any one of a wide range of mutual funds whose objectives vary from achieving a high rate of interest to maximizing growth of capital. A mutual fund pools the money of many investors who have similar financial goals and invests this money in different securities to spread the risk.

While the number of married women who work is increasing, the majority are still not employed outside the home. Close to 27 million -- 57% of their total -- are not currently in the paid labor force. A large percentage of their husbands belong to firms that don't have retirement programs and are therefore eligible to establish Individual Retirement Accounts for themselves and their spouses. Have any questions? An investment adviser, stock broker, banker, insurance agent or mutual fund representative can help you out.

#

2