HOW TO SAVE FOR RETIREMENT
WITHOUT A FULL-TIME JOB

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You might be envious of your friends that have access to a 401(k) with company matching. But your situation is more common than you think. 25% of full-time employees work at companies that don't offer a 401(k) or pension. The numbers are even worse for those that work at smaller companies.

You might be surprised by how many options you actually have available to you. Some of them are more attractive than a 401(k).

If you're self-employed or part-time employed, there are several ways to save for retirement:

1. **Invest in a Roth IRA.** If you're over 50, you can save $6,500 each year. Those under 50 can set aside up to $5,500. You're not eligible if you earn over $117,000 if you're single. The amount rises to $184,000 if you're married and file jointly.
    - ***Your contributions aren't tax deductible, but you don't have to pay any taxes when you start withdrawing money after the age of 59.5.*** The money you're withdrawing must have been in the account for at least five years.

2. **Invest in a Traditional IRA.** While the contribution limits are the same as for a Roth, there is a major difference: ***your contributions are tax deductible for most, but you do pay taxes on your earnings when you withdraw them.*** Whether or not your contributions are deductible depends on your income.

3. **Use a Solo 401(k).** You can invest 100% of your income in a Solo 401(k), up to $18,000 each year. If you're over 50, you can invest up to $24,000. If your work

for yourself, you can contribute additional funds, up to a total of $53,000. The additional funds are limited by your income or the net earnings of your business.

4. **Put money into a SIMPLE IRA.** A simple IRA will allow you to contribute up to $12,500 each year or $15,500 if you're over 50. ***If you own your own business, you can even match your own contributions up to 3%!***

5. **Simplified Employee Pension (SEP).** Your contributions are limited to $53,000 and 20% of your net earnings or 25% of compensation. An SEP works similar to a Traditional IRA. You can take a take deduction on your contributions and don't pay taxes on the earnings until you begin withdrawing money.

6. **Invest in an index fund or funds.** While you can't deduct your contributions through a standard brokerage account, you can avoid paying taxes until you sell your shares. An index fund can be held until retirement.
    - Investing in individual stocks will often require selling before retirement. You'll be charged for taxes on any gains and that money won't be available for investing purposes.
    - You will have more flexibility however. Most retirement accounts assess penalties for early withdrawals.

Take advantage of automatic investing. Any of these accounts will allow you to set up automatic deductions from your checking account. The amounts necessary to open an account are very low, too. ***Even if you can only contribute $25 to your retirement, you can get started today.***

Consider all the options and choose the one that best takes advantage of your circumstances. Spending an hour with a well-informed financial planner can be worthwhile. Allow an expert to put you on the best path and then take control of your retirement.

Each type of retirement account will allow a variety of investments, including stocks, bonds, and mutual funds. Choose an investment strategy that matches your retirement timeline. There’s no reason to allow the lack of a full-time job to interfere with your retirement planning. You have plenty of options available to you.