



A SIMPLE Solution to Your Retirement Dilemma

The Company You Keep[®]

How a SIMPLE IRA Can Help Put You on the Path to a Comfortable Retirement

Have you saved enough for retirement? It's a worry that's on the minds of many. But your employer is offering you an opportunity that may help.

A SIMPLE (Savings Incentive Match Plan for Employees) IRA plan is an employer-sponsored retirement plan; employees choose to participate, and contribute pre-tax funds to the plan through payroll deduction. Employers make either matching contributions or non-elective contributions.

The Positive Tax Implications

No, the heading is not an oxymoron. If you decide to participate in a SIMPLE IRA plan, funds will be deducted, pre-tax, through the convenience of payroll deduction.

There's a dual benefit to this strategy: first, pre-tax deductions will lower your taxable income, so while you're saving for retirement, you're also saving on your tax bill. The chart can help illustrate this benefit.

Secondly, your money has the opportunity to grow tax deferred,¹ and if you find that you are in a lower tax bracket during retirement, you'll pay less in taxes when you withdraw the money as a retiree than you would pay now if those funds came in your paycheck. And tax-deferred funds can grow more quickly than those in comparable taxable vehicles, as evidenced by the following chart. By investing in a tax-deferred program like a SIMPLE

Years	\$3,000 Yearly into SIMPLE IRA (Pre-Tax)	\$3,000 Yearly Outside SIMPLE IRA (Taxed at 28%)
5	\$18,460	\$12,547
10	\$44,351	\$28,591
15	\$80,664	\$49,106
20	\$131,596	\$75,340
25	\$203,029	\$108,885
30	\$303,219	\$151,780

* Hypothetical rate used for illustrative purposes only. Not intended to project future incomes.

It assumes a \$3,000 yearly investment, 28% federal tax bracket during the life of the investment, and a 7% rate of return.

This example is used for illustrative purposes only. The return is not indicative of any specific investment product or class of investments and is not intended to be a projection of future values. Mortality and expense charges, sales charges, and administrative fees are not taken into account and would reduce the tax-deferred performance shown if they were. Actual results will vary.

Actual returns will vary depending on your specific tax rate (which may be more or less than the figures shown). A lower tax rate on capital gains and dividends would make any gains in the taxable account more favorable. You should consider your investment time horizon and tax brackets, both current and anticipated.

The following are additional considerations you should take into account:

- By liquidating current taxable holdings, you may be subject to capital gains or losses, which could impact your tax liability.
- Tax-deferred performance would be reduced by income taxes on gains upon withdrawal.
- Tax-deferred investments can have other fees associated with them such as mortality and expense charges, sales charges, and administrative fees that should also be taken into consideration. In addition, withdrawals from a variable annuity, for example, prior to age 59½, may be subject to a 10% penalty tax (and a 25% penalty tax in the case of a withdrawal from a SIMPLE IRA within the first two years), and a surrender charge will generally apply if the withdrawal is made during the early years of the policy.

For specific tax advice, please speak to your tax advisor.

IRA plan, you may be able to reduce your taxes, simply by building a nest egg.

	Without SIMPLE IRA	With SIMPLE IRA
Monthly Gross Salary	\$2,000	\$2,000
SIMPLE IRA Contribution	\$0	\$250
Adjusted Salary	\$2,000	\$1,750
Federal Tax 28%	\$560	\$490
Savings with After-tax \$\$	\$250	\$0
Take-home pay	\$1,190	\$1,260
Increase in Take-home pay	\$0	\$70

Give Yourself a Raise—Participate

Any participation in a SIMPLE IRA plan is voluntary, but you have to take the initiative. However, a quick form to enroll is worth the time it takes to fill it out.

Through employer contributions to your SIMPLE IRA—which are not currently taxable to you—your employer is *paying* you to save for retirement. With compound interest combined with tax deferral and pre-tax savings, what may initially sound like a small percentage can grow to a significant amount over the course of your working years. It's the raise you'll be able to enjoy *after* you've left the workforce!

¹ Tax-qualified plans (like IRAs, TSAs, SEPs and SIMPLE IRAs) already provide tax deferral under the Internal Revenue Code, so the tax deferral of an annuity does not provide any additional benefits. Also, variable annuities are subject to additional fees to which other tax-qualified plan funding vehicles may not be subject.

Your Plan, Your Investment Choices

While your employer provides the plan, you own your SIMPLE IRA. If you leave your job for any reason, the funds go with you. And in addition to full ownership of your SIMPLE IRA, you have discretion over how your money is managed.

LifeStages® variable annuity products fund your SIMPLE IRA. Variable annuities are long-term investment vehicles used for retirement savings. There are fees and expenses associated with this contract.

In addition to their other features, variable annuities have professionally managed investment divisions that you select based on your investment objectives, time horizon and risk tolerance. Assets allocated to the Investment Divisions in the variable annuity will fluctuate based on market conditions. You can find out more about specific investment objectives and the characteristics of each by obtaining prospectuses from your NYLIFE Securities Registered Representative.

Variable annuities are sold by prospectus only. To obtain a copy of the product and fund prospectuses for the variable annuity that may be right for you, please contact your NYLIFE Securities Registered Representative or call 1-800-598-2019. Investors are asked to consider the investment objectives, risks, charges and expenses of the investment carefully and to consult their own financial, legal and tax advisors before investing. Both the product and the underlying fund prospectuses contain this and other information about the product and underlying investment options. Please read the prospectuses and all related material provided to you carefully before investing.

A Source of Funds—but Only in Retirement

A SIMPLE IRA is a wonderful way to help fund the retirement you're

hoping to have, but there are some restrictions.

Because such plans are meant to help provide income after you've left the workforce, the government provides favorable tax incentives for money held in the accounts, like the tax deferral feature previously mentioned. However, withdrawals taken prior to age 59½ are subject to penalties.

If you're under the age of 59½, withdrawals are subject to a 10% penalty tax (certain exceptions may apply). This penalty tax is increased to 25% during the first two years of participation in the SIMPLE IRA plan. In either case, you'll pay ordinary income tax on those funds as well. In addition, you may incur a surrender charge on the LifeStages® variable annuity that is used to fund the plan.

A Simple Solution to Retirement Funding

There are a number of financial vehicles to help finance your retirement, and you may want to explore your options to help ensure diversification. A SIMPLE IRA plan can be an ideal complement to other retirement planning—or one of the best places to start.

To find out more about your retirement options with a SIMPLE IRA, ask a NYLIFE Securities Registered Representative today, and begin your road to a fulfilling, financially sound retirement.

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A.M. Best	A++	Superior
Standard & Poor's	AA+	Very Strong
Moody's	Aa1	Excellent with Positive Ratings Outlook
Fitch	AAA	Exceptionally Strong

Source: Third-Party Rating Reports (as of 2/16/05)

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