

Answers

Chapter 15 – Retirement and Estate Planning

Note that this calculator will eventually be revised to reflect the lower tax rates in effect.

1. \$120
2. \$1,504
3. \$24
4. \$90
5. \$114
6. Lower
7. \$16
8. Answers will vary, however, at higher tax rates, the tax savings afforded by contributing to a 401(k) is greater.

Teaching Tips

Chapter 15 – Retirement and Estate Planning

1. Have your students find out if they would be eligible for a company sponsored 401(k) if Standard and Poor's employed them.
2. Ask the students who are currently working to consider investing 3 percent of their wages. How much would that be? What about 6 percent?
3. Have the students write their own philosophy about saving for retirement.