

RETIREMENT FUNDS AND PLANS

Type	Definition	Policy Used in Evaluation
Retirement Fund	Cash or other assets held by a person for use during retirement.	Retirement Fund (when not held in a specific retirement plan)
Defined Benefit Pension Plan	A retirement plan (also referred to as a pension plan) that promises a specified monthly benefit at retirement. The plan may state the promised benefit as an exact dollar amount. More commonly, however, the plan sponsor calculates a benefit through a plan formula that considers certain factors such as salary and years of service. There are three types of defined benefit plans: Traditional Plans, Cash Balance Plans and Defined-Benefit Keogh Plan.	Retirement Fund
Defined Contribution Plan	A retirement plan that does not promise a specific amount of benefits at retirement. In these plans, the employee or the employer (or both) contribute to the employee's individual account under the plan. These contributions generally are invested on the employee's behalf. The employee will ultimately receive the balance in the account, which is based on contributions, plus or minus investment gains or losses. The value of the account will fluctuate due to the changes in the value of the investments purchased with the contributions added to the employee's individual account.	Retirement Fund (unless funds rolled over into an annuity at retirement – then use annuity policy)
Employer-Sponsored IRA	A type of Individual Retirement Arrangement in which the employer establishes the IRA for the employee.	Retirement Fund (IRA account) Annuity (IRA annuity)
IRA Account	An Individual Retirement Arrangement (IRA) held in the form of a trust or account is commonly referred to as a Traditional IRA.	Retirement Fund
IRA Annuity	An Individual Retirement Arrangement (IRA) held in the form of an annuity.	Annuity