

Answer on Question #37913 – Economics – Finance

Divide your 15000 this way:

7000 to your 401K, because you get another 3500 contributed by the company.

5500 to a Roth IRA, the legal maximum for 2013, because your future investment withdrawals are tax-free. (Assuming your total gross income is less than 188,000 limit to utilize Roth IRA)

Since no another savings alternative is in the problem, put the remaining 2500 into the 401K, even though there is no matching contribution.