SOURCE: FIDELITY; EFRP; OECD

OPPORTUNITIES

Investment options in the United States and Europe

Each of these options allows the individual investor to reap tax benefits.

United States

- **Traditional Individual Retirement Account (IRA):** investors can deduct contributions from their taxable income and pay the taxes on withdrawal of the funds at a certain age. Interest and dividends accrue tax-deferred.
- **Roth IRA:** contributions aren't tax-deductible, but interest, dividends and withdrawals are tax-free. This may be the better IRA choice for early-career scientists who don't earn enough early on to benefit from the tax-deductible contribution provision.
- **Treasury bonds:** investors buy bonds at face value and pay taxes on the interest upon withdrawal.

United Kingdom

- **Personal pension scheme/plan:** investors can deduct contributions from their taxable income and have several withdrawal options, including taking out up to 25% of the account's value tax-free at a certain age. Funds are not subject to the United Kingdom's capital gains tax; interest and dividends are tax-deferred.
- **Individual savings account:** investors pay no income or capital gains tax on interest or dividends.

European Union

- **Privately managed retirement fund:** roughly equivalent to an IRA. Options for accounts vary. Nations that offer tax-advantaged retirement plans include Ireland, Sweden, Poland, Germany and Belgium. K.K.

Heidelberg, Germany, says that a survey conducted by the organization in 2006 found that just 8–9% of its fellows were participating in a pension or retirement scheme, although nearly all had health insurance and other social-security benefits. As a result, EMBO created its own transferable pension plan for fellows, implemented on 1 January 2010. So far, the plan — which matches contributions of up to €100 (US$128) a month — has 170 participants. "Because this is private, it gets around the [residency] requirement of certain countries," Taplick says. All current and former EMBO fellows are eligible to join — the minimum contribution is €25 a month — although former fellows won't get the matching funds.

P.JØRGENSEN

"Not only do you have to consciously save up your money, but you've got to invest it safely." — Guggi Kofod

But funding one's own retirement plan could have a downside. European and other countries don't have the rollover tax-umbrella provision that the United States offers, so highly mobile researchers who want to take their retirement savings with them could end up paying significant tax penalties each time they move. Even if retirement contributions remain intact, managing one's own investment plan is still time-consuming and complicated, and just providing the mechanisms for investment does not ensure a successful outcome — a caveat for all investors, not just scientists. "Not only do you have to consciously save up your money but you've got to invest it safely or semi-safely," says Guggi Kofod, a postdoc group leader at the University of Potsdam in Germany and chair of the Marie Curie Fellows Association in Brussels.

There are, however, early indications that EU lawmakers are to address the pension issue for scientists and others. Recognizing a need for widespread pension reform, the European Commission launched a public debate on 'the future of pensions' on 7 July, and will keep comments open to all until 15 November.

Already there is high EU-wide demand for a cross-border pension fund, according to a feasibility report from human-resources consultants Hewitt Associates, based in Lincolnshire, Illinois. But it will be a difficult path. EU pension-related regulations add up to "a very complex picture", says Leonardo Sforza, Hewitt's head of European research and EU affairs.

For now, postdocs and other early-career researchers should press their institutions to make all retirement-planning options clear, and should investigate their programmes' restrictions regarding eligibility, portability and the permitted level of contributions. And, despite often-scarce funds, they should seriously consider starting to save as soon as possible, whether through their institutions or privately. When it comes to retirement planning, the same mantra holds true for all professionals: start early. ■

Karen Kaplan *is the assistant Careers editor.*

SOUTH AFRICA

Fewer researchers

The number of research scientists working in government, academia, industry and the non-profit sector in South Africa fell slightly between 2008 and 2009, after half-a-decade of increases, according to a 9 September report from the South African government. The drop echoes a decline in the total number of science, maths, engineering and technology researchers. Tommy Makhode, spokesman for the South Africa Department of Science and Technology, says the government is committed to increasing the number of South African researchers and has created research chairs and specialized research centres to encourage scientists to remain in or come to South Africa. The government hopes to boost the number of trainees entering the workforce, as well as to draw scientists from elsewhere using initiatives such as the exchange of researchers between South Africa and the European Union.

EDUCATION

US applications up

Applications to US graduate schools rose sharply as the economy slipped into recession, reports the Council of Graduate Schools (CGS) in Washington DC. Applications jumped by 8.3% from 2008 to 2009, almost double the average annual increase of the past ten years, according to the CGS's 14 September report 'Graduate Enrollment and Degrees: 1999–2009'. Economic recessions have long been linked with a rise in graduate-school applications, notes CGS research director Nathan Bell. Of 11 fields surveyed, the highest growth was in applications to health-sciences programmes — 14.6% over 2008–2009 — a trend Bell attributes to a growth in health services for an ageing population.

UNITED KINGDOM

Immigration cap looms

The public consultation period for Britain's proposed cap on immigration by skilled workers from outside the European Union, which would include scientists and researchers, ended on 17 September. In June, new visas in this category were temporarily capped at 24,100 for the period until the end of March 2011. A permanent annual cap — whose total could change on the basis of public feedback — will be imposed on 1 April 2011. Whether to impose a similar cap for non-EU students will be decided after 17 September.