

smart choices

Helping you stay on track as you plan for retirement

Increase your contribution amount now:

Give your plan a better chance to grow

If you wonder whether you'll have enough money saved when you reach retirement age, there's no time like the present to take action.

Contribute as much as you can

Increasing your plan contribution today can give you the potential for a larger plan balance tomorrow. While there are no guarantees, if your plan allows it, even small saving increases, especially if implemented on a routine basis, can add up to more savings at retirement.

Regardless of your age and years to retirement, most financial planners think that it makes sense to save the maximum in your plan, so if your plan allows employee contributions, save as much as your budget will comfortably allow. Another good idea is to increase that amount on a regular, systematic basis.

Save your raise

If your employer gives you a salary increase, you can use the timing as a schedule to "give a raise" to your retirement plan. With this approach, you routinely increase your plan contribution and do so in an amount equal to all or part of the additional pay. If you increase your savings in synch with the timing of your raises, you probably won't "feel the pinch" as much—and your long-term goals will get a potential boost. Or, you can take a seasonal approach, and review your contribution amount at a specific time each year.

Consider the potential benefit

Regardless of how you time it, a numerical example best demonstrates the potential benefit of increasing your plan contribution amount. In the hypothetical scenarios on the next page, notice that the potential plan balance of these retirement accounts increases as the saver's contribution increases. *While there are no guarantees in the investment world*—and most of your plan savings are likely to be in investments, such as collective investment trusts or mutual funds—these illustrations demonstrate how you may be able to give your plan a better chance to grow.



choices

Act now to benefit later

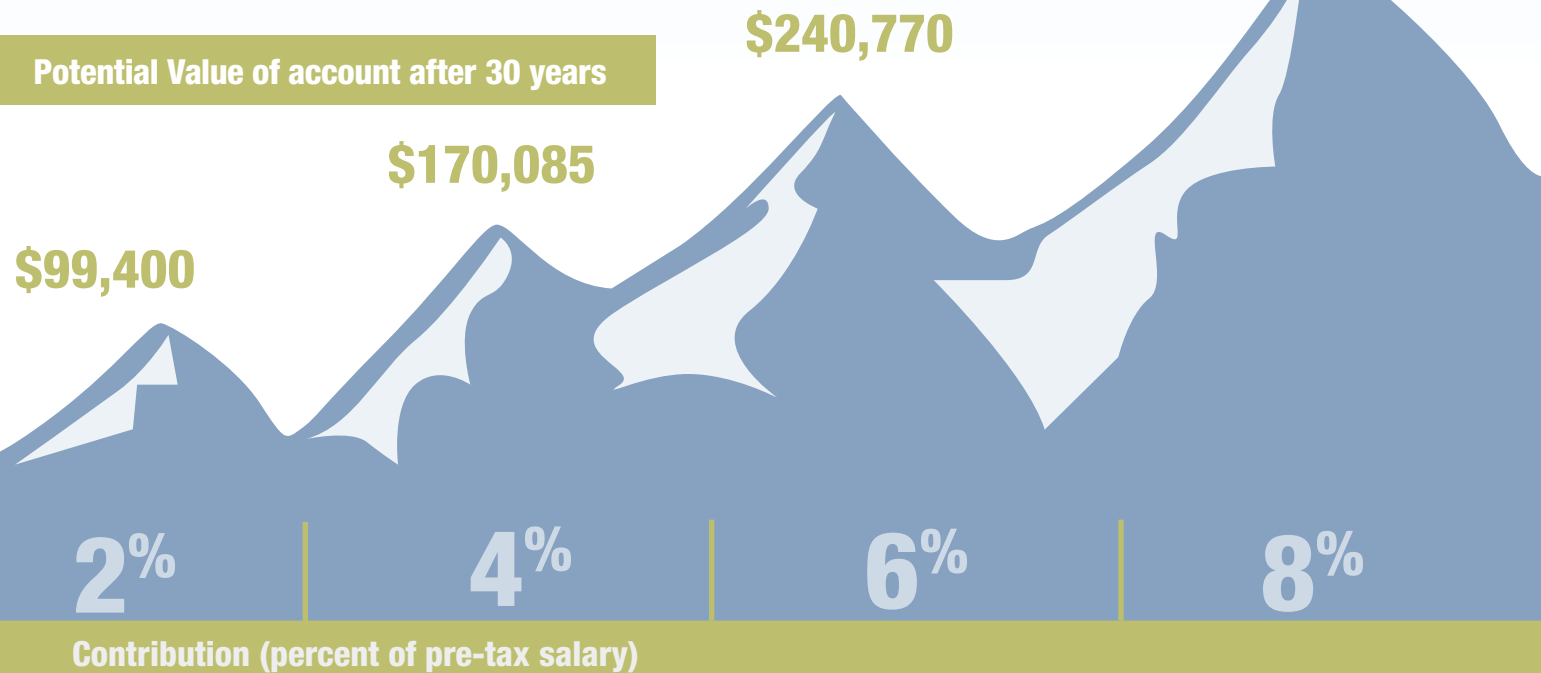
What would it take to have an additional \$70,000 savings at retirement?

Increasing your plan contribution from 4% to 6% (of pre-tax pay), may make that happen. The table to the right shows the assumptions we used in our case studies. Note that we are using 6% for the potential investment return, i.e., the hypothetical, long-term earnings on the investments in these sample accounts. We believe that this is a reasonable expectation; but, because no one can predict the future, it is not intended to be a forecast of the returns of stocks, bonds, or any other investment. Actual results will depend on the options available in your plan, and will vary.

You may find it helpful to review scenarios with other assumptions and different investment returns. To start, search the Internet for “free retirement plan calculator.” You should be able to find several free online calculators—and work through various situations, modeling the particulars to more closely match your own circumstances. While your numerical results will be different, the message will probably be the same: “Save more today, to give your retirement plan a better chance to grow for tomorrow.”

Our Saving and Return Assumptions

Current annual income	\$35,000
Annual salary increases	2%
Annual before tax return on savings	6%
Current balance in retirement account	\$5000



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