

# Give yourself a break now with tax-deferred contributions to your retirement plan

When you put money in your employer-sponsored retirement plan, it lowers the amount of income you owe taxes on—each and every year you contribute. That means your out-of-pocket cost for investing in yourself could be much less than you think.

## Swap taxes for contributions

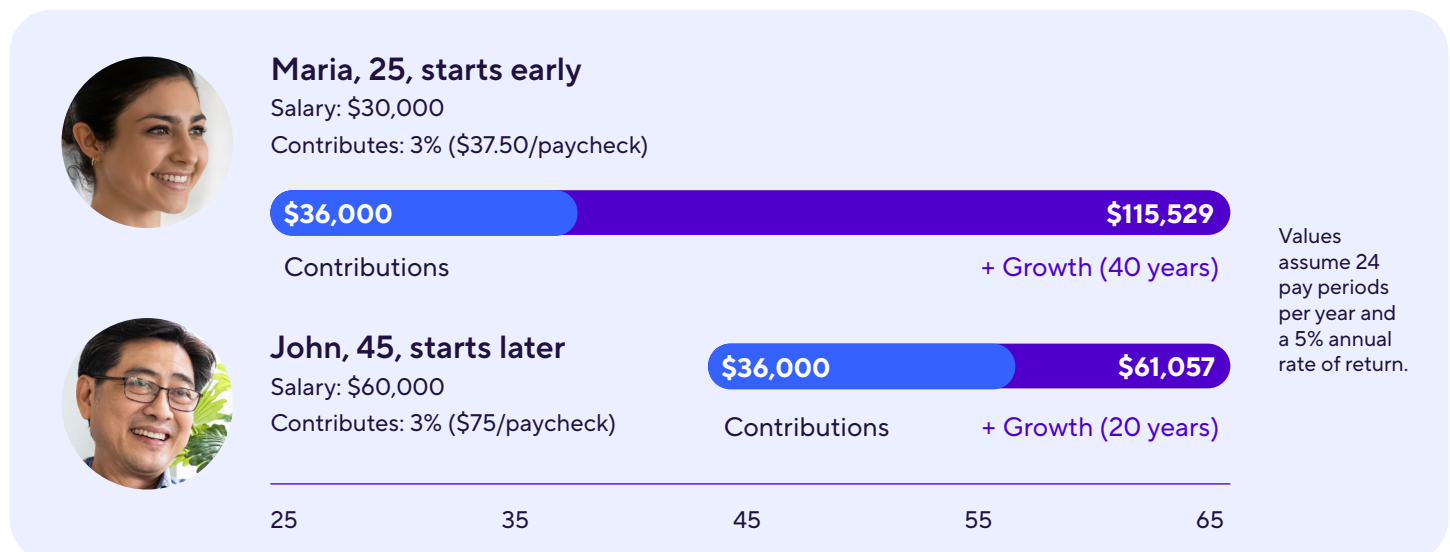
Putting \$100 per month into your retirement plan for 30 years, totaling \$36,000, gives you the opportunity to earn a return on the money that would have otherwise gone to taxes.



This extra \$9,000 would have been paid in taxes if you didn't put it in your retirement plan.

## Use those extra contributions to help your savings grow over time

Starting now is the key to maximizing your savings potential because growth can compound over time. As shown here, it's possible to end up with more at retirement by starting sooner than someone who contributes the same amount but starts later.



This example is hypothetical, does not reflect the return of any specific investment, and is not a guarantee of future income. Income taxes payable upon withdrawal. Federal restrictions and a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½. Bear in mind that investing involves risk, including the possible loss of principal. Fees and charges, if applicable, are not reflected in this example and would reduce the results shown.

# See how your out-of-pocket savings can work for you

Even though you'll have to pay taxes on the eventual withdrawals, the money you save in taxes today can help your money grow from now until retirement. And your out-of-pocket costs may be less than you think. Determine how many times a year you get paid, and use the charts below to see how even small contributions can really add up over time.

## 10 paychecks per year

|                             | 15 years |          |          | 25 years |          |           |
|-----------------------------|----------|----------|----------|----------|----------|-----------|
| Contribution per paycheck   | \$100    | \$200    | \$300    | \$100    | \$200    | \$300     |
| Reduces tax withholding     | - \$25   | - \$50   | - \$75   | - \$25   | - \$50   | - \$75    |
| Out-of-pocket contribution  | \$75     | \$150    | \$225    | \$75     | \$150    | \$225     |
| Total contributions         | \$15,000 | \$30,000 | \$45,000 | \$25,000 | \$50,000 | \$75,000  |
| Out-of-pocket contributions | \$11,250 | \$22,500 | \$33,750 | \$18,750 | \$37,500 | \$56,250  |
| Balance with growth         | \$22,060 | \$44,119 | \$66,179 | \$48,791 | \$97,583 | \$146,374 |

## 12 paychecks per year

|                             | 15 years |          |          | 25 years |           |           |
|-----------------------------|----------|----------|----------|----------|-----------|-----------|
| Contribution per paycheck   | \$100    | \$200    | \$300    | \$100    | \$200     | \$300     |
| Reduces tax withholding     | - \$25   | - \$50   | - \$75   | - \$25   | - \$50    | - \$75    |
| Out-of-pocket contribution  | \$75     | \$150    | \$225    | \$75     | \$150     | \$225     |
| Total contributions         | \$18,000 | \$36,000 | \$54,000 | \$30,000 | \$60,000  | \$90,000  |
| Out-of-pocket contributions | \$13,500 | \$27,000 | \$40,500 | \$22,500 | \$45,000  | \$67,500  |
| Balance with growth         | \$26,482 | \$52,965 | \$79,447 | \$58,573 | \$117,147 | \$175,720 |

## 20 paychecks per year

|                             | 15 years |          |           | 25 years |           |           |
|-----------------------------|----------|----------|-----------|----------|-----------|-----------|
| Contribution per paycheck   | \$100    | \$200    | \$300     | \$100    | \$200     | \$300     |
| Reduces tax withholding     | - \$25   | - \$50   | - \$75    | - \$25   | - \$50    | - \$75    |
| Out-of-pocket contribution  | \$75     | \$150    | \$225     | \$75     | \$150     | \$225     |
| Total contributions         | \$30,000 | \$60,000 | \$90,000  | \$50,000 | \$100,000 | \$150,000 |
| Out-of-pocket contributions | \$22,500 | \$45,000 | \$67,000  | \$37,500 | \$75,000  | \$112,500 |
| Balance with growth         | \$44,173 | \$88,347 | \$132,520 | \$97,702 | \$195,404 | \$293,106 |

These examples are hypothetical, do not reflect the return of any specific investment, and are not a guarantee of a specific rate of return. Figures are based on an annual 5% rate of return and a 25% federal marginal income tax bracket. Income taxes must be paid at withdrawal. Federal restrictions and a 10% federal early withdrawal tax penalty may apply to withdrawals prior to age 59½. Investment return and principal value will fluctuate so that the investor's units, when redeemed, may be worth more or less than their original cost. Fees and charges, if applicable, are not reflected in this example and would reduce the results shown. Bear in mind that investing involves risk, including possible loss of principal.

## 24 paychecks per year

|                             | 15 years |           |           | 25 years  |           |           |
|-----------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| Contribution per paycheck   | \$100    | \$200     | \$300     | \$100     | \$200     | \$300     |
| Reduces tax withholding     | - \$25   | - \$50    | - \$75    | - \$25    | - \$50    | - \$75    |
| Out-of-pocket contribution  | \$75     | \$150     | \$225     | \$75      | \$150     | \$225     |
| Total contributions         | \$36,000 | \$72,000  | \$108,000 | \$60,000  | \$120,000 | \$180,000 |
| Out-of-pocket contributions | \$27,000 | \$54,000  | \$81,000  | \$45,000  | \$90,000  | \$135,000 |
| Balance with growth         | \$53,019 | \$106,038 | \$159,056 | \$117,266 | \$234,532 | \$351,798 |

## 26 paychecks per year

|                             | 15 years |           |           | 25 years  |           |           |
|-----------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| Contribution per paycheck   | \$100    | \$200     | \$300     | \$100     | \$200     | \$300     |
| Reduces tax withholding     | - \$25   | - \$50    | - \$75    | - \$25    | - \$50    | - \$75    |
| Out-of-pocket contribution  | \$75     | \$150     | \$225     | \$75      | \$150     | \$225     |
| Total contributions         | \$39,000 | \$78,000  | \$117,000 | \$65,000  | \$130,000 | \$195,000 |
| Out-of-pocket contributions | \$29,250 | \$58,500  | \$87,750  | \$48,750  | \$97,500  | \$146,250 |
| Balance with growth         | \$57,442 | \$114,883 | \$172,325 | \$127,048 | \$254,096 | \$381,145 |

## How does this affect your overall take-home pay?

The out-of-pocket amount from your paycheck may be less than you think, especially when you consider the growth potential over many years.

## How your salary is impacted each month

| Annual salary                   | \$30,000  |           |           | \$60,000  |           |          | \$90,000  |           |            |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|------------|
| Contribution rate               | 3%        | 5%        | 10%       | 3%        | 5%        | 10%      | 3%        | 5%        | 10%        |
| Contribution per month          | \$75      | \$125     | \$250     | \$150     | \$250     | \$500    | \$225     | \$375     | \$750      |
| Reduces monthly tax withholding | - \$18.75 | - \$31.25 | - \$62.50 | - \$37.50 | - \$62.50 | - \$125  | - \$56.25 | - \$93.75 | - \$187.50 |
| Out-of-pocket per month         | \$56.25   | \$93.75   | \$187.50  | \$112.50  | \$187.50  | \$375.00 | \$168.75  | \$281.25  | \$562.50   |



## Enroll today!

If you haven't enrolled in your retirement plan yet, now is your chance to take advantage of tax-deferred contributions and growth.



## Already saving? Increase your contributions now.

Sign in to your account and go to Manage > Manage Contributions.



## Paycheck calculator

Use our take home pay calculator to see the impacts to your paycheck. Input your personal details.



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