

Reinventing **Retirement**[®]



RETIREMENT ENROLLMENT WORKBOOK

Reinventing Retirement[®]



If you are like most people, the time for retirement may seem far off. Your days are devoted to family, work, friends and the daily routines of life. How active a role are you taking in preparing for your retirement future? Are you where you need to be?

Keeping up with the realities of retirement is an essential part of an ongoing retirement planning process. What are your perceptions of life during retirement?

Just thinking about your retirement can get complicated. When will you be able to retire? How much will you need? How will inflation affect you? There are a lot of factors to consider. It's hard to sort it out, and even harder to find the time to do it.

When was the last time you really thought **about retirement**?

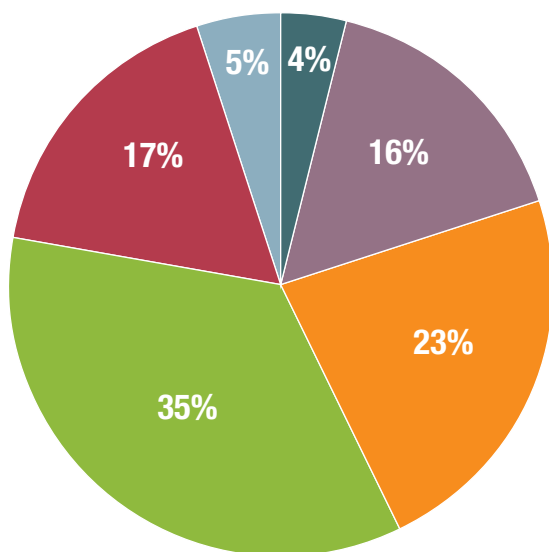
- > When will you be able to retire?
- > How much will you need?
- > How will inflation affect you?

This workbook will challenge you to think about retirement in a new light and help you achieve your retirement goals.

Planning for retirement is essential. This workbook will help you get started.

What Does the Future Hold for You?

A recent survey by AARP found that 80% of baby boomers plan to continue working in some way once they “retire.”



- Unsure: **4%**
- Stop work completely: **16%**
- Work part-time for needed income: **23%**
- Work part-time for interest/enjoyment: **35%**
- Start own business: **17%**
- Work full-time in new job or career: **5%**

AARP is a useful resource for information on many issues related to retirement. You can visit their website at: www.aarp.org.

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Why 401(k)?

100% Savings Power

When you make a contribution to your 401(k), federal and any state income taxes are deferred until withdrawal. This means that 100% of your money goes to work for you right away! Participating in your 401(k) lowers your current income tax bill, too. Here's how:

Amanda and Jake each earn \$25,000 per year, and both save 6% of their pay (\$1,500) each year for retirement. Amanda saves through her 401(k) plan, so her contribution goes directly into her account pre-tax. Jake saves on his own, so he cashes his paycheck and puts away after-tax money in a savings account at his bank.

By saving through her 401(k) plan, Amanda gets a better tax deal. She lowers her taxable income, which means she pays less tax.

In this example, that translates into an annual tax savings of \$225! Actually, she is out-of-pocket only \$1,275 in order to save \$1,500 (\$1,500 - \$225 = \$1,275).

COMPARISON SHOPPING		
Amanda's 401(k) Savings Strategy		Jake's After-Tax Savings Strategy
\$25,000	Annual Pay	\$25,000
-\$1,500	Amanda's Pre-tax 401(k) Contribution	\$0
\$23,500	Taxable Pay	\$25,000
-\$3,525	Federal Income Tax*	-\$3,750
\$225	Tax Savings	\$0
\$0	Jake's After-Tax Contribution	-\$1,500
\$19,975	Take Home Pay	\$19,750
*Assumes a 15% flat federal tax. State and local taxes are not included.		

Your 401(k) is a key benefit offered by your employer, and it offers you one of the easiest ways to save for your retirement. Here's a closer look at the features that can help you to get the best retirement deal for yourself:

Automatic Payroll Contributions

Your 401(k) plan allows you to save each pay period up to annual limits set by the IRS. Your contribution is automatically deducted from your paycheck before you even see it. Out of sight, out of mind—what you don't have you won't spend! You will also be following a great savings principle: Pay yourself first.

It's Portable

Should you leave your company for any reason, you can take your vested account balance with you. Your money can be rolled over into an IRA or your new employer's 401(k) plan (if offered). However, there are strict rules when taking money out of your retirement plan. For instance, if you decide to take a cash distribution before age 59½, you may be subject to a 10% IRS penalty tax (in addition to current income taxes). Check with both your plan administrator and a financial advisor to make sure you understand all your options.

Tax-Deferred Growth

As your retirement account grows, you pay no taxes on any earnings until you begin to withdraw your money. This powerful feature is known as tax-deferred compounding. Investments with earnings that are tax-deferred have the potential to grow faster when they are not being "hit" by taxes each year.

Tax-deferred compounding can give a significant boost to your retirement account balance!



Comparison Savings

Let's return to Amanda and Jake to see what happens to their money after it gets deposited in their accounts:

SAVINGS COMPARISON

**Amanda Earning
8% Pre-tax
in her 401(k)**

**Jake
Earning 8%
Paying Taxes**

Account Balance	Year	Account Balance
\$23,468	10	\$21,926
\$43,468	15	\$39,642
\$74,134	20	\$64,258
\$118,432	25	\$98,462
\$183,519	30	\$145,988
\$279,153	35	\$212,026
\$419,672	40	\$303,785

This illustration assumes an average annual rate of return of 8% (compounded annually) and a 15% flat federal tax. This is a what-if scenario and is not based on (or predicting the performance of) any specific investment or savings strategy. Most 401(k) investments will move up and down with the market over time, producing better or worse actual returns for you. Your returns are not guaranteed.

> *Which balance do you think would potentially provide you with the most income during retirement?*

> *Which balance do you think would potentially last longer during retirement?*

And remember, as a starting point, many financial experts feel you should save:

- > In your 20s, save 7% of your salary.
- > In your 30s, save 10% of your salary.
- > In your 40s, save 15% of your salary.
- > In your 50s, save 20% of your salary.

Source: Kmotion, Inc. 2012



Consumer Clue

Let's take a look at the difference tax-deferred compounding can make in terms of retirement income. Assume that upon retiring, both Amanda and Jake decide to divide up their account balance into 20 equal withdrawals. They plan to take one withdrawal each year over a 20-year period.

CONSUMER CLUE

Amanda		Jake
\$419,672	Account Balance	\$303,785
\$20,984	Annual Withdrawal	\$15,189
-\$3,147	Taxes To Pay (15%)	0
\$17,836	Money in Pocket Each Year	\$15,189

**Amanda has almost \$2,600
more each year for
pursuing her retirement dreams!**

This illustration assumes a flat 15% federal tax rate and does not take into account any annual earnings or losses that may accumulate on the remaining balance of their accounts over the years.

Finding the **Money** to Save



It's hard to save for retirement and make it a priority. You could have childcare expenses, or you may be trying to save for college tuition. Maybe you're planning for a major purchase, such as a car or new home. Possibly you're supporting an aging parent. Does it seem like too many things are competing for your paycheck? The fact is, people at all income levels find themselves struggling just to make ends meet.

Budgeting for a Better Retirement

Keeping tabs on your spending is only the first step. What you do with your findings is critical in establishing the habit of saving money. The table below shows how making just a few small sacrifices can add up to a better retirement deal.

SMALL SACRIFICES

Give Up	How Often	Monthly Expense	Value if Invested 25 Years
Coffee & Bagel	Twice a week	\$20.00	\$19,147
Lunch Out	Twice a week	\$50.00	\$47,868
Dinner Out	Once a week	\$100.00	\$95,737
Movie Ticket	Once a month	\$10.00	\$9,574
Video Rental	Once a month	\$6.00	\$5,754
Vending soda	Once a day	\$12.00	\$11,488

Assumes an investment in a tax-deferred retirement account in which you hypothetically earn an average annual rate of return equivalent to 8%, compounded monthly. This is a what-if scenario and is not based on (or predicting the performance of) any specific investment or savings strategy. In the real world, most 401(k) investments will move up and down with the market over time, producing higher or lower actual returns for you. Your returns are not guaranteed.

Consumer Clue

- > Savings of \$60 in one week translates into \$240 each month that could be invested in your 401(k) plan.
- > In 25 years this could potentially add over \$228,000* to your retirement savings.

* Assumes an 8% average annual return.

A SMALL INCREASE MAKES A BIG DIFFERENCE

This chart shows how just a small increase in your contribution level could mean thousands of dollars over time. All contribution amounts are based on a \$30,000 annual salary.

Contribution Increase	Savings After			
	10 Years	20 Years	30 Years	40 Years
1% (\$25)	\$5,099	\$17,863	\$47,775	\$115,520
2% (\$50)	\$10,180	\$37,048	\$102,289	\$264,724
3% (\$75)	\$15,270	\$55,571	\$153,433	\$397,087
4% (\$100)	\$20,360	\$74,095	\$204,578	\$529,448
5% (\$125)	\$25,451	\$92,619	\$255,723	\$661,809
6% (\$150)	\$30,541	\$111,143	\$306,867	\$794,175

Source: Kmotion, Inc. 2012. Assumes a hypothetical 8% annual rate of return.

Track the Cash

When you look a little closer, however, chances are you'll find money that you may be spending thoughtlessly or that could be better used to save for your retirement. One of the best tools to help you find these savings opportunities is a spending journal. It can help you track where all your dollars are disappearing. A video rental or a lunch out might not seem to cost all that much, but the expense adds up over time. Try keeping a spending journal for several weeks and evaluate your spending habits.

Track the Cash

From the Desk of Amanda & Jake

Here are some excerpts from a sample spending journal.

★ = savings opportunities

Sunday

\$63.00 Groceries (Forgot coupons and went in without a grocery list!)

★ \$6.00 Toy action figure for Tommy while grocery shopping (He threatened a tantrum!)

★ \$40.00 Pizza delivered for Sunday Pro Football (Friends dropped by, gotta remember to buy a frozen pizza next time!)

★ \$10.00 Ice cream out for the family for letting me watch football!

Monday

★ \$4.00 Coffee and bagel on the way to work

★ \$6.00 Lunch—hot sandwich and soda at restaurant (Must start brown-bagging it!)

\$50.00 Filled gas tank (I should look into carpool or bus!)

Tuesday

★ \$15.95 Bought new CD (I'll look into used CDs next time!)

\$75.00 New outfit for Molly (Should buy on sale!)

★ \$2.00 "Breakfast" at the vending machines

★ = \$83.95 easy savings opportunities in one week

Shop Around

By shopping around and getting a better deal on basic things such as car insurance or your mortgage rate, you can uncover additional money that can be re-directed into your retirement plan each month. Here are a few ideas—along with the potential payoff for your financial future. But remember: the only way there can be a potential payoff is if you actually do re-direct the monthly savings into your retirement plan account!

GET A BETTER DEAL

Event	Monthly Amount Saved	Potential Balance if Invested for 25 Yrs at 8%
Shop around for a better cell phone plan	\$15	\$14,266
Receive a raise and invest \$25 in your retirement plan	\$25	\$23,934
Shop for lower credit card interest rate*	\$30	\$28,721
Find a lower car insurance premium	\$50	\$47,868
Refinance your mortgage	\$150	\$143,605

This illustration is hypothetical and is not intended to reflect the actual performance of any investment or investment strategy. Actual investments will move up and down over time. This illustration assumes an 8% annual rate of return, compounded monthly, with investments made at the beginning of each period.

* Only if you absolutely must maintain a balance. You should make a plan to pay off the balance within a reasonable length of time by making more than the minimum payment each month.

The Price of Your Retirement

Your **Retirement Income Gap** is the difference between what you're currently tracking to have and the amount that you will actually need for a comfortable retirement.

Estimating Your Gap

The goal here is to simply establish a starting point. It is not meant to stress you out or place fear into your retirement planning! To complete this worksheet you will need a pencil, a calculator and the latest savings account statements you may have.

1 First, how much income will you need in retirement?

Many experts suggest you will need 75%-100% of your working income to live comfortably in retirement. Depending on your own personal situation, you may want to multiply your current income by more or less than this range.

2 Now, subtract the income you expect to receive annually from Social Security

If you currently earn \$25,000, enter \$11,844.

If you currently earn \$35,000, enter \$14,196.

If you currently earn \$45,000, enter \$16,548.

If you currently earn \$55,000, enter \$18,900.

If you currently earn \$65,000, enter \$21,240.

To determine what you can expect from Social Security with your exact salary, go to:

<http://www.socialsecurity.gov/OACT/quickcalc/>

3 Next, subtract any other income sources

This could include any pension plan or rental property income that you may have or anticipated part-time income that you earn when you retire. Enter amount in today's dollars.

4 The total is your Retirement Income Gap

This worksheet simplifies several retirement issues such as projected Social Security benefits and earnings assumptions on savings. It also reflects today's situation. Reinventing Retirement is about managing your Retirement Income Gap and the assumptions you make. You will definitely want to revisit this calculation at least annually as your salary and circumstances change.

YOUR RETIREMENT INCOME GAP

You	Example
\$ _____	Age 32 Earns \$35,000/yr. Lives to be 87 Has \$5,000 saved
\$ _____	80% of \$35,000
\$ _____	Earns \$35,000
\$ _____	No other income
\$ _____	\$13,804

\$ _____ **1** \$ 28,000
80% of \$35,000

\$ _____ **2** \$ -14,196
Earns \$35,000

\$ _____ **3** \$ -0
No other income

\$ _____ **4** \$ 13,804
\$28,000 - \$14,196 = **\$13,804**

This is your Retirement Income Gap



What Will It Take to Close the Gap?

Next you must estimate how much you need in savings the day you start your new life as a retiree. This is your Nest Egg needed to produce enough income to make up for the Retirement Income Gap.

5 Now estimate the size of the Nest Egg you will need

After you retire, if you expect to live:

20 years multiply your Retirement Income Gap (line 4) by **14.3**

25 years multiply your Retirement Income Gap (line 4) by **16.5**

30 years multiply your Retirement Income Gap (line 4) by **18.3**

6 Next, take credit for what you have saved so far

Multiply any savings to-date by the appropriate factor below. Include any money you have currently in retirement plans, and any IRAs.

Years to Retirement:	6	8	10	12	14	16
Multiply by:	1.27	1.37	1.48	1.60	1.73	1.87
Years to Retirement:	18	20	25	30	35	40
Multiply by:	2.03	2.19	2.67	3.24	3.95	4.80

7 Now subtract line 6 from line 5

The result is the remaining Nest Egg to accumulate.

8 Figure the annual savings required to meet your Nest Egg goal

Multiply the total from line 7 by the appropriate factor below.

Years to Retirement:	6	8	10	12	14	16
Multiply by:	.151	.109	.083	.067	.055	.046
Years to Retirement:	18	20	25	30	35	40
Multiply by:	.039	.034	.024	.018	.014	.011

9 Finally, to get the PERCENT you should contribute to your plan

Divide the number on line 8 by your annual pay, then multiply by 100 to see the percent to contribute. Round your percentage to the nearest whole number.

CLOSE YOUR GAP

You

Example

Age 32
Earns \$35,000/yr.
Lives to be 87
Has \$5,000 saved

\$ _____

5 \$ 197,397
\$13,804 (line 4)
multiplied by 14.3

\$ _____

6 \$ 19,750
\$5,000 saved
multiplied by 3.95
(35 years to retire)

\$ _____

7 \$ 177,647
\$197,397-\$19,750

\$ _____

8 \$ 2,487
\$177,647 (line 7)
multiplied by .014
(35 years to retire)

_____ %

9 7 %
 $\$2,487 \div \$35,000 = .071$
 $.071 \times 100 = 7.1\%$
7.1% rounds to = **7%**

The factors used in this worksheet were developed by actuaries (people who crunch numbers for a living). Using these factors simplifies the amount of work you'll have to do. These factors assume only a what-if scenario in which you hypothetically earn an average annual rate of return equivalent to 8%. Also, these factors assume that the annual inflation rate will be 4%. These rates of return do not reflect any specific investment or savings strategy. In the real world, most retirement investments will move up and down with the market over time, producing higher or lower actual returns for you. Your returns are not guaranteed.

About Social Security

CONSUMER CLUE

Just How Much Will You Need in Retirement?

Most financial experts suggest you will need 75%-100% of your current annual income to live comfortably in retirement.

$$\begin{array}{rcl} \$ \rule{1.5cm}{0.4pt} & \text{Your current income} & \\ & \times .90 & \\ = \$ \rule{1.5cm}{0.4pt} & \text{Amount needed} & \\ & \text{each year in} & \\ & \text{retirement} & \end{array}$$

Now, let's look at how much Social Security might contribute. Visit the Social Security Web site at www.ssa.gov. You'll find interactive retirement calculators which will give you a rough estimate of what you can expect in Social Security benefits.

1. \$ Amount needed each year in retirement
2. \$ Approximate annual Social Security benefit
3. \$ How much more you'll need to live comfortably in retirement

Knowledge Is Retirement Power

Social Security is intended to provide only a minimum level of retirement income to go toward covering the basic necessities: food, shelter and clothing. It was never intended to be your only source of retirement income. The rest will be up to you! The age which the Social Security Administration considers full retirement age has been increasing in gradual steps. It's important to stay informed of these changes.

For more information, visit the Social Security Web site at www.ssa.gov. You'll find interactive retirement calculators that allow you to get a rough estimate of what you can expect in Social Security benefits.

If you are age 60 or older and not already receiving Social Security benefits, you will receive an annual benefit estimate statement in the mail. Also, workers age 25 should receive an estimate statement in the year in which they reach age 25. All others may obtain a Social Security Statement online by going to <http://ssa.gov/mystatement>. This statement will help you understand what benefits you can expect from Social Security based on your actual earnings history. If you need help obtaining a statement, you may call the Social Security Administration at 1-800-772-1213.

- > People are living longer, healthier lives.
- > The number of people age 65 and older will nearly double by 2030.
- > The Social Security Administration (SSA) estimates that by 2037 the tax income it receives may be able to meet just 72% of its benefit obligations.
- > The outlook for Social Security is uncertain.

Saving through your 401(k) plan is an excellent way to take responsibility for your own financial security!





Consumer Clue

Let's assume that you were born in 1960 and your average annual pay is \$35,000. Beginning at your full retirement age of 67, you can generally expect a monthly Social Security benefit of \$1,260. By retiring at age 62 your early-retirement penalty would be \$415 per month—almost a 33% reduction in monthly benefits.

THE EARLY RETIREMENT PENALTY

Year of Birth	Year You Turn 62	Reduction in Benefits if You Retire at Age 62	Retirement Age for Full Social Security	
			Years	Months
1943-1954	2005-2016	-25.00%	66	0
1955	2017	-25.83%	66	2
1956	2018	-26.67%	66	4
1957	2019	-27.50%	66	6
1958	2020	-28.33%	66	8
1959	2021	-29.17%	66	10
1960+	2022 & later	-32.93%	67	0

Source: Social Security Administration.

Remember, too, that Medicare coverage doesn't begin until age 65. If you retire before that, you'll need to save enough money to pay for health insurance, which is often very expensive for people in that age group.

Get A Better Feeling For How Social Security May Impact Your Future



In 1990, 1 out of 25 Americans was over age 65.



Today, 1 out of 8 Americans is over age 65.



In 2040, 1 out of 4 Americans will be over age 65.

Over the next 25 to 30 years, the over-65 age group is expected to be the fastest growing segment of our population. And since the 1960s, America's birth rates have been declining. Simply put, there will be fewer people in the work force supporting more people in retirement.

Sources: Social Security Administration, National Commission on Retirement Policy.

The Delayed-Retirement Bonus

Did you know that delaying retirement past your full retirement age could increase your Social Security benefit in two ways? Here's how:

- Each additional year you work adds another year of earnings to your Social Security record. Generally, higher lifetime earnings will result in higher benefits when you retire.
- Your benefit will be increased by a certain percentage if you delay retirement past your full retirement age.

Consumer Clue

Assuming again that you were born in 1960, the \$1,260 monthly benefit at full retirement age of 67 would increase by 8% for each year you delay your retirement. If you postpone retirement for just one year, and begin taking your benefit at age 68, your monthly benefit will probably be \$1,371, potentially adding almost \$111 to your monthly benefit!

THE DELAYED-RETIREMENT BONUS

Year of Birth	Increase in Benefits for Each Year You Postpone Retirement
1937-38	+6.5%
1939-40	+7.0%
1941-42	+7.5%
1943 or later	+8.0%

Source: Social Security Administration.

It's About Time

THE RULE OF 72

	Example
1. Take the rate of return you expect to receive on your investment:	8%
2. Divide it into 72:	$72 \div 8$
3. The result is the number of years it will take for your investment to double:	9

Expected Rate of Return	Years for Investment to Double
6%	12 Years
8%	9 Years
10%	7 Years
12%	6 Years

The sooner you start saving, the more doubling periods you will have in your remaining working career!

Why Time Is Money

You may think that retirement is a long time away and that there is plenty of time to get going on a serious savings plan. But don't underestimate the power of time. Time greatly improves your chances of having enough money at retirement. The earlier you start saving, the better retirement deal you can get!

The Rule of 72 is one of the easiest ways to find out what an impact time can have on your savings. It simply calculates the number of years it will take to double your money. (Keep in mind that it is simply a general rule of thumb and may be affected by many factors.) The chart to the left shows how the Rule of 72 works.



Can You Afford to Wait?

Assuming a hypothetical annual investment return of 8%, the chart below uses the Rule of 72 to show how time affects the potential growth of an initial investment of \$2,500.

SMALL SACRIFICES

An Initial \$2,500 Investment Will Double Every 9 Years

If You Start at:	Value When You Reach					
	Age 22	Age 31	Age 40	Age 49	Age 58	Age 67
Age 22	\$2,500	\$5,000	\$10,000	\$20,000	\$40,000	\$80,000
Age 31		\$2,500	\$5,000	\$10,000	\$20,000	\$40,000
Age 40			\$2,500	\$5,000	\$10,000	\$20,000

Cost of Missing 1 Doubling Period: **-\$40,000** Cost of Missing Two Doubling Periods: **-\$60,000**

Assumes an investment in a tax-deferred retirement account in which you hypothetically earn an average annual rate of return equivalent to 8%. This is a what-if scenario, and is not based on (or predicting the performance of) any specific investment or savings strategy. In the real world, most 401(k) investments will move up and down with the market over time, producing higher or lower actual returns for you. Your returns are not guaranteed.

The Impact of Inflation Over Time

Inflation eats away at your money's purchasing power, and may not buy as much retirement in the future as it does today. After you retire, you will probably be living on a fixed income. Unfortunately, the cost of basic necessities will continue to rise. The following table can help you reinvent retirement by keeping inflation in perspective:

INFLATION'S IMPACT

Item	1983	2013	2043
Gallon of Milk	\$1.52	\$3.35	\$8.13
Postage Stamp	\$.14	\$.44	\$1.07
Cup of Coffee	\$.15	\$1.55	\$3.76
Gallon of Gas	\$.66	\$3.90	\$9.47
Movie Ticket	\$2.35	\$9.00	\$21.85
Mid-priced Car	\$3,579	\$25,000	\$60,682

Sources: 1983 prices are based on the historical Consumer Price Index (U.S. city averages). 2013 prices are based on general averages. Projections for 2043 prices assume a 3% annual inflation rate.

Not only does inflation affect your buying power, it also has an impact on investment returns. For example, cash-type investments such as U.S. Treasury Bills have earned less than 1% on average over the past few years. Over that same time, inflation has averaged about 3%. That means that the “real” return on cash-type investments (their return after adjusting for inflation) is -2%!

What can you do about inflation? One thing you can do is to consider increasing your contribution each year. In addition, you may also want to consider investments in your retirement savings account that have the potential to beat inflation.



True Love Is a Happy Meal

As fate would have it, Amanda and Jake meet, fall in love and get married. Together, they share a dream—to be able to eat a McDonald's® Cheeseburger Happy Meal® for breakfast, lunch, and dinner each and every day once they retire. Both are currently age 30 and plan to retire at age 65. They both expect to be in excellent health and would like their Happy Meal splurge to last for 20 years.

Since a Happy Meal today costs around \$3.30, this means they will be spending about \$20 a day to feed their dream. However, Amanda has helped turn Jake into a well-informed consumer. He realizes that inflation will cause the price of Happy Meals to go up over the many years leading up to and during retirement. Together, they wonder how much they will need to have saved in their retirement account to be able to afford their dream.

Assuming a 3% annual rate of inflation, Amanda and Jake will spend \$551,950 on their retirement dream!

Now that's a lot of Happy Meals!

Source: Kmotion Research, 2012.

Reinvent Your Retirement

Congratulations!

By completing this workbook, you should have a better understanding of retirement planning basics:

- > The features and benefits of contributing to your 401(k) plan:
 - Automatic payroll deductions
 - You have control
 - Pre-tax savings
 - Tax-deferred compounding
- > Budgeting to find the money to contribute to your plan
- > The potential savings needed for your retirement
- > Some of the limitations of Social Security
- > The importance of harnessing time
- > The effects of inflation on your retirement planning

Start Purchasing Your Dream Now

Take the First Step

Enroll now in your retirement plan and take the first step in realizing your financial dreams.

As a start, consider making at least a conservative contribution—let's say 5% of your current income. Starting is the most important part, and will get you on the road to regular saving.

Would you like a raise? If you're not contributing at least enough to receive the maximum of any company match your plan offers, you're declining one! Make the contribution and get that match.

Once you're on the road to saving, increase your contributions at every opportunity. You know the impact of time and inflation, so maximize your contributions as early as you can. At retirement, you will never look back and wish you had saved less.

If you are already enrolled in your employer's 401(k) plan, take a look at how much you are actually investing. It may not be enough. Plan to increase the amount you are saving by 1% or 2% of your pay annually. And if you receive a raise, that's a great time to increase your plan contribution as well. Before you know it, you'll be saving the maximum your plan allows!



THERE'S NO FREE LUNCH (OR DINNER).

Think you're ready for retirement? The average couple will spend \$350,400 just on food during the time they are retired...

This doesn't include living expenses such as electricity, heat, hot water, gasoline, traveling, and spending money.

Let's Do The Math

	2	People
x	3	Meals a Day
x	\$8	Cost per Meal
x	365	Days a Year
x	20	Years

\$350,400

*Prepare for your
retirement by
increasing your
contribution today!*

This is a hypothetical example shown for illustrative purposes only. It is not intended to predict the costs of living for any specific region or individual.

Are **You** On Track?

“Social Security may contribute only a part of the income I need to live comfortably in retirement. I really need to save more on my own.”

- For the average person, Social Security may replace about 30% - 40% of the wages that a working person earned before retirement.
- Be sure you're saving enough now to supply 75% - 100% of your current annual income per year in retirement.
- You may spend 20 or more years in retirement.
- Your retirement savings plan is one of the best ways to help you secure the comfortable retirement you deserve.



Web Resources

Check out these websites to help you with our overall financial planning:

www.aarp.org — American Association of Retired Persons (informational articles and interactive tools)

www.dinkytown.net — variety of financial calculators and tools

www.ssa.gov — official Social Security website

www.mint.com — easy budgeting tools; all your accounts in one place

www.irs.gov — Internal Revenue Service official site

www.psca.org — Profit Sharing Council of America (retirement planning and calculation tools)

www.360financialliteracy.org — this website can help you develop money management skills at all ages

www.savingforcollege.com — help for planning and saving for your children's college tuition

www.money.cnn.com/retirement — general financial and retirement information