

ABC Sample Company  
123 State Street  
Albany, NY 12203




000003  
Jennifer Smith  
23 July Road  
Glenville, NY 12324

# YOUR RETIREMENT YOUR WAY

## ***Consider increasing your contribution***

Congratulations, Jennifer Smith. You've made an important financial decision to invest in the ABC Sample Company. You probably had a retirement goal in mind when you joined the plan. Many retirement professionals recommend that you aim for replacing between 70% and 90% of your current income in retirement. If increasing your contribution to your plan is appropriate for you, you may increase your ability to meet your retirement goal. And ABC Sample Company's match will help you get there.

Your personal planner inside shows how easy increasing your contribution can be. This information is confidential. The projection is based on information provided by your employer and may or may not be current or accurate. It is designed to give you relevant examples only.



**Important retirement plan  
information for  
Jennifer Smith**

### **Retirement Profile**

<b>Name:</b>	Jennifer Smith
<b>Date of birth:</b>	01/01/1979
<b>Current deferral percentage:</b>	5%
<b>Approximate annual salary:</b>	\$60,000.00
<b>Retirement age:</b>	65
<b>Hypothetical investment return:</b>	6%
<b>Employer's match:</b>	\$0.50 per \$1 up to 10% of pay.



Consider increasing your contribution to take advantage of your company's match.

# YOUR INCREASE CAN MAKE A DIFFERENCE

## *Consider your contribution amount*

Your retirement plan is often considered one of the best places to invest for retirement. You have many advantages when you contribute to the plan:

- **Pre-tax savings.** Contributions to your plan are deducted from your salary before taxes, so your income tax is reduced.
- **Tax-deferred compounding.** In your plan, your money has a chance to grow without being reduced by current taxes.
- **Generous match.** Your employer is offering a valuable incentive for you to invest for retirement.

## *Your match makes the difference*

The ABC Sample Company's retirement plan matches \$0.50 for every dollar you put in up to 10% of pay. At the very minimum, you might consider raising your contribution to meet the level of the match by increasing your contribution by 5%. A match can really boost your retirement assets!

The chart below is a closer look at the impact your account might have by increasing your contributions by 5% to reach the 10% maximum level of your employer's match.

### Jennifer Smith's 5% Increase Example

	At your current 5% contribution	At level of the 10% maximum match
Your contribution	\$46.15	\$115.38
Matching contribution amount	\$23.08	\$57.69
Total account contribution	\$69.23	\$173.07
Total after one year	\$3,600.00	\$9,000.00

By increasing your contribution from 5% to 10%, the \$69.23 in additional contributions would result in a net difference of \$54.00 from your check. This would mean \$5,400 more is contributed to your plan each year.

# YOUR PERSONAL RETIREMENT PLANNER

## For Jennifer Smith

This personalized illustration is intended to show you how your pre-tax contributions affect your account. The figures below are based on assumptions that may or may not be current or accurate.

**Annual Pay:** \$60,000.00

**Tax Marital Status:** Single

**Exemptions:** 0

**Employer Match Amount:** \$0.50 per \$1 up to 10% of pay.

### Contributions and Your Paycheck

Contribution Percentage	2%	4%	6%	8%	10%
Current Weekly Pay	\$1,153.85	\$1,153.85	\$1,153.85	\$1,153.85	\$1,153.85
Pre-tax Contribution	\$23.08	\$46.15	\$69.23	\$92.31	\$115.38
<b>Taxable Income</b>	<b>\$1,130.77</b>	<b>\$1,107.70</b>	<b>\$1,084.62</b>	<b>\$1,061.54</b>	<b>\$1,038.47</b>
Less					
■ Federal Income Tax	\$117.51	\$112.43	\$107.36	\$102.28	\$97.20
■ Social Security Tax	\$88.27	\$88.27	\$88.27	\$88.27	\$88.27
<b>Take-home Pay</b>	<b>\$924.99</b>	<b>\$907.00</b>	<b>\$888.99</b>	<b>\$870.99</b>	<b>\$853.00</b>
Net Effect					
■ Your Account Contribution	\$23.08	\$46.15	\$69.23	\$92.31	\$115.38
■ Reduction in Take-home Pay	\$18.00	\$35.99	\$54.00	\$72.00	\$89.99

### Company Matching Contributions

Your Weekly Contribution	\$23.08	\$46.15	\$69.23	\$92.31	\$115.38
Matching Contribution Amount	\$11.54	\$23.08	\$34.62	\$46.15	\$57.69
Total Weekly Contribution	\$34.62	\$69.23	\$103.85	\$138.46	\$173.07
Total Annual Contribution (includes match)	\$1,800.00	\$3,600.00	\$5,400.00	\$7,200.00	\$9,000.00
Total Cost to You (includes tax savings)	\$936.00	\$1,872.00	\$2,808.00	\$3,744.00	\$4,680.00

### Assets Growth Over Time

Assumes 6% Investment Return and Balance of \$400,000.00 (as of 12/31/2017)

■ In 5 years	\$550,006	\$560,471	\$570,937	\$581,402	\$591,868
■ In 10 years	\$752,341	\$776,922	\$801,504	\$826,086	\$850,668
■ In 15 years	\$1,025,260	\$1,068,883	\$1,112,506	\$1,156,129	\$1,199,751
■ In 20 years	\$1,393,388	\$1,462,694	\$1,532,000	\$1,601,306	\$1,670,612
■ In 25 years	\$1,889,937	\$1,993,886	\$2,097,835	\$2,201,784	\$2,305,733
■ In 30 years	\$2,559,707	\$2,710,385	\$2,861,062	\$3,011,739	\$3,162,416

*This investment return is hypothetical. Assumes deposits to your retirement account at the end of each month, and Social Security and IRS tax rates for 2019. Contribution limits for 2019 are applied if required and assume no catch-up contributions. This projection assumes that, if you reach the pre-tax limit, you continue to contribute the suggested percentage outside of the plan on an after-tax basis. Source: DST Retirement Solutions, LLC, an SS&C company, 2019.*

## ***Digging for Dollars***

Many people find it hard to contribute a little more. But finding a few more dollars to fund your future can make a big difference.

An extra \$100 a month grows to: **\$16,388 after 10 years**

**\$46,204 after 20 years**

**\$100,452 after 30 years**

*This is a hypothetical example used for illustrative purposes only. It is not representative of any particular investment vehicle. It assumes a 6% average annual return compounded monthly.*

## ***Consolidate retirement accounts to make planning easier***

Jennifer, your plan allows you to roll money from previous retirement accounts into your current plan account. When you decide to increase your contribution amount, this may be an ideal time to consolidate accounts. This allows you to manage all of your retirement money in one place, and offers you the convenience of receiving one statement. However, a rollover is not the best strategy for everyone. Before you decide to consolidate accounts, you may want to discuss all the potential advantages and disadvantages with a financial advisor.

## ***Take action today***

Increasing your contributions can make a long-term financial difference to help you reach your retirement dreams.

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**It's easy to increase your contribution!**

