



# SAVE FOR RETIREMENT TODAY WITH HELP FROM THE 401(K)

According to the U.S. Government Accountability Office (GAO), as of 2019 48% of Americans over the age of 55 and nearly 60% of Millennials do not have any retirement savings at all. With help from our 401(k), you can help beat the average and secure your financial future. Whether retirement is decades away or just around the corner, the time to save for retirement is today.

## The Basics

- The 401(k) is a tax-advantaged savings account that lets you save money for retirement.
- You can contribute either **pre-tax or after-tax** funds through automatic payroll deductions.
- You can then invest your funds through a mix of stocks, bonds and cash to help your account grow faster.
- How much you can contribute depends on the annual limits set by the IRS. Catch-up contributions are also allowed if you are age 50 or older.

## Employer Match & Vesting

To help the account grow, we match your contributions as outlined in this chart.

You Contribute	Employer Matches	IRS Limit <sup>1</sup>
<b>XX%</b>	<b>XX%</b>	\$19,500

Your contributions are fully vested, meaning you own them outright.

Employer contributions are fully vested after **XX** years of service.

**80%**

That's how much you should have saved per year of retirement, according to an old rule of thumb. Other experts recommend having **10x your salary saved by age 67**. However, your expenses in retirement will vary depending on your needs and lifestyle, so plan accordingly.

**10-15%**

Another rule of thumb? Try to put between 10% and 15% of your paycheck into your 401(k) each year. Can't contribute that much? **Even an increase of 1% can lead to bigger savings down the road.**

## Compound Interest

The amount you contribute doesn't just earn interest—the **interest on your contribution also earns interest**. This is known as compound interest, and is one reason it's better to save early. After all, the earlier you save, the more time your contributions have to earn interest and grow!

## MEET AMANDA

**Age: 35**

**Annual Salary: \$50,000**

Amanda can increase her 401(k) savings by thousands of dollars over the course of her career by bumping up her contribution rate by one percent each year over the course of 25 years.\*

Amanda's Contribution	Amount Saved at Age 60
Flat 5%	\$198,000
Starting at 5% + 1% increase each year	\$550,000
<b>Total Extra Saved</b>	<b>\$354,940</b>

\*Assuming an annual return of six percent and a three-percent annual salary increase.

1. Source: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-401k-and-profit-sharing-plan-contribution-limits>



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