

The Power of Time

Don't Let Time Pass You By

It can be difficult to make up for lost time when you're investing, but a small systematic contribution toward your retirement each payday can significantly add to your retirement funds. By contributing with pre-tax dollars you maximize the benefit to your 403(b)/457(b) — reducing your current taxable income — plus the entire investment is tax-deferred. The chart below shows the potential benefit of contributions over time with a 6% annual rate of return.

Contribution Per Pay	Take-Home Pay Reduction	Years To Retirement				
		5 Years	10 Years	15 Years	20 Years	40 Years
\$25	\$19.50	\$2,912	\$6,840	\$12,137	\$19,280	\$83,093
\$50	\$39	\$5,821	\$13,671	\$24,259	\$38,544	\$166,134
\$100	\$78	\$11,640	\$27,338	\$48,514	\$77,082	\$332,231
\$300	\$234	\$34,921	\$82,018	\$145,551	\$231,251	\$996,749
\$500	\$390	\$58,202	\$136,707	\$242,598	\$385,432	\$1,661,292
\$700	\$546	\$81,488	\$191,397	\$339,652	\$539,619	\$2,325,853
\$900	\$702	\$104,762	\$246,068	\$436,671	\$693,766	\$2,990,285
\$1,300 (max)*	\$1,014	\$151,326	\$355,438	\$630,758	\$1,002,128	\$4,319,362

Please call to get started or to increase your contribution.

The illustration assumes a 22% federal tax rate, a 6% annual rate of return compounded monthly, and 20 pay periods per year. This excludes contributions in the months of July and August. This comparison is for illustration purposes only. This is not intended as an indication or guarantee of future performance, nor does it represent any particular insurance or investment option. How much your retirement savings will be worth depends on how much you contributed and your investment earnings. Any distribution is subject to ordinary income taxes upon receipt. A distribution prior to age 59½ could result in an additional 10% tax penalty. Taxes, fees and expenses have not been taken into consideration for the purpose of this illustration. A plan of regular investing does not assure a profit or protect against loss in a declining market. You should consider your financial ability to continue your purchases over an extended period of time.

**Assumes client is eligible for age 50 catch-up provision. None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.*



Jay Merrill, CIMA®