

# Don't let your retirement dreams come crashing down!

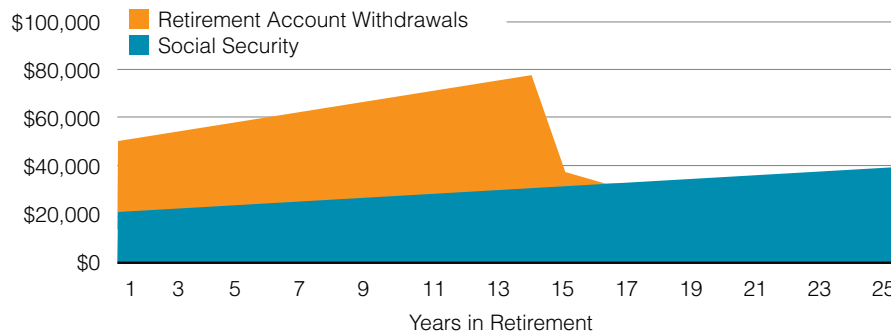
John, if you continue making your current 401(k) contribution of 3.0%, your retirement plans are going to collapse because you're going to run out of money.

Keep your dreams intact. Increase your contribution to 5.8%.



## Projected retirement income making your current 3.0% contribution\*

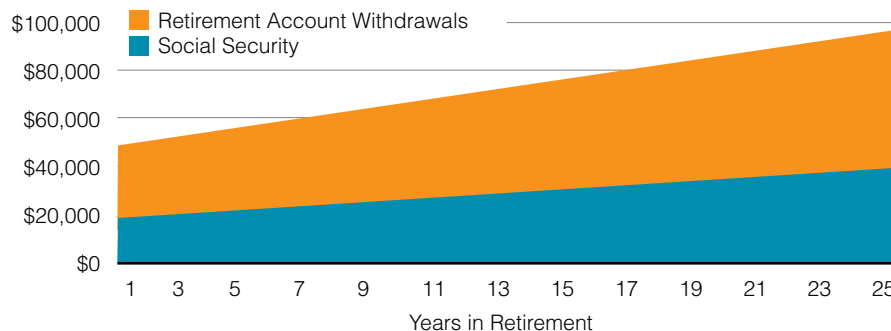
(Projected account balance at retirement: \$306,782)



Your contribution	3.0%
Your employer's contribution	1.5%
<b>Total contribution</b>	<b>4.5%</b>

## Projected retirement income making the suggested 5.8% contribution\*

(Projected account balance at retirement: \$459,337)



Your contribution	5.8%
Your employer's contribution	2.9%
<b>Total contribution</b>	<b>8.7%</b>

\* Given the assumptions below, you are projected to need \$47,131 of income in your first year of retirement. Social Security is projected to cover \$24,141 of this amount. Thus, it is projected that you will need to withdraw \$22,990 from your nest-egg in your first year of retirement. In subsequent years, you will need to increase your withdrawals to keep up with inflation.

As the top chart shows, at your current contribution rate, your nest-egg is projected to be consumed after 16 years of retirement. If you increase your contribution to 6%, however, your nest-egg is projected to last for your entire life expectancy (as the bottom chart shows).

### Assumptions

Current age	<b>35</b>	Social Security benefit at retirement	<b>\$24,141</b>	Pre-retirement investment return	<b>8%</b>
Current balance	<b>\$10,000</b>	Annual increase in Social Security benefit	<b>2%</b>	Post-retirement investment return	<b>6%</b>
Current salary	<b>\$25,000</b>	Post-retirement life expectancy	<b>25 years</b>	Employer match:	
Salary growth rate	<b>3%</b>	Inflation rate	<b>3%</b>	<b>50% on the first</b>	
Replacement ratio	<b>80%</b>			<b>6% of pay contributed</b>	
Retirement age	<b>65</b>				

The investment returns and other assumptions used in this report are for illustrative purposes only and are not intended to be predictive of the future. The investment options you choose may yield lower or higher returns than the returns assumed in this report resulting in a smaller or larger account balance at retirement and less or more income during retirement. Neither Social Security nor your employer's matching contributions nor your projected salary growth rate nor any of the other assumptions used in this report are guaranteed.