Brighten Your Outlook®

Small difference, **big payoff**

Question: How much does saving through your retirement plan affect your take-home pay?

Answer: If you're putting away pretax dollars, *not as much as you think!*

Reason: Before-tax contributions lower your current taxable income, so you owe less to Uncle Sam. In fact, every dollar you save means *less than* a dollar out of your pocket.

For example, say you earn $30,000 a year. Here's what saving 5% of pay could mean to you:

	Retirement plan	No retirement plan
Biweekly pay before tax	**$ 1,154**	**$ 1,154**
5% pretax contribution	**$ 58**	**$ 0**
Taxable income*	**$ 1,096**	**$ 1,154**
Take-home pay after taxes	**$ 932**	**$ 981**
You keep	**$ 990** *($932 + $58)*	**$ 981**

**Assumes 15% uniform tax on wages.*

And the **big payoff?** When you're in the plan, that $58 you save with every paycheck keeps working–and growing–for you tax-deferred. Without a plan, well, sometimes a zero is just a zero.

Think ahead. Take action now.

- ✓ **Enroll in your plan...** Automatic payroll deduction makes it easy to develop a disciplined savings habit—so your money can grow even when you take home more. Get started at **TA-Retirement.com**.
- ✓ **...ASAP!** The power of compounding (the earnings on your earnings), plus tax-deferred growth, mean the *sooner* you start, the *less* you must save to reach your goal. But the longer you wait, the harder it is to make up for lost time.

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