National Save For Retirement Week 2011 OCT 16-22

Now's the time to inform and educate...
...to help employees plan and save!

Congress has designated October 16-22 as National Save For Retirement Week, when employers are encouraged to take steps to inform their employees of the benefits of participating in their organization's voluntary retirement plans. At TDS Group we support your efforts to increase employee awareness and increase participation, so we've created a series of five informative flyers discussing different aspects and promoting the advantages of saving for retirement.

TIPS FOR RETIREMENT SAVINGS DAY ONE –
This flyer explains the overall benefits of saving for retirement, discusses approximately how much a worker should save at various stages of their career, and presents a compelling example of the power of compound interest to grow one's nest egg.

TIPS FOR RETIREMENT SAVINGS DAY TWO –
Day 2 shows how a few simple adjustments to one's spending habits can free up money that can go into a growing retirement account, and how these small savings can grow over time to a significant balance.

TIPS FOR RETIREMENT SAVINGS DAY THREE –
TDS' flyer for Day 3 explains the benefits of making contributions to a retirement savings plan on a pre-tax basis, and how every dollar added to an employee's retirement account actually costs him or her less than a dollar in take-home pay.

TIPS FOR RETIREMENT SAVINGS DAY FOUR –
On Day 4 we show and tell that by making a small increase in one's contribution each paycheck, through the power of compound interest, it can grow to an amount many times the size of a worker's actual total contributions.

TIPS FOR RETIREMENT SAVINGS DAY FIVE –
The Day 5 flyer presents two examples of workers at different stages of their career who follow different retirement savings strategies. In one, a younger worker saves a modest amount each week over 25 years, while the other demonstrates the benefit of the "catch-up" contributions to a mature worker over 50 years of age.

For more information consult your TDS Benefits Counselor today!
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Tips For Retirement Savings – Day 1

Set Your Goal, Set Your Contribution ...

The Social Security Administration and personal financial planning experts suggest that you'll probably need 80% - 90% of your current salary to retire comfortably. To make sure you don't face a "retirement gap," you'll need your own supplemental retirement plan to make up the difference.

To set your savings goal, first determine what 80% of your current salary is. Then subtract your anticipated state pension benefits. The remainder is the additional amount you'll need each year, either in cash spent from savings or interest earned from your nest egg, to enjoy a comfortable retirement.

A good rule of thumb is if you're in your 20s, save 7% of your income; 10% in your 30s, 15% if you're in your 40s, and 20% in your 50s.

... Then Let Time and Your Money Do All The Work!

In any retirement plan, the most important thing is to start your retirement savings plan right now! Through the power of compound interest, your investment will grow much larger than the sum of all your contributions. For example, Fred contributes $200 each monthly paycheck to his retirement account. Over 30 years, he'll contribute $72,000. But thanks to compounding interest, after 30 years his next egg will total approximately $300,000 – a increase of $228,000 over his actual out-of-pocket cost.

In addition, with pre-tax contributions Fred's tax burden went down, which partially offset the amount he is deducting each pay period. By earning a savings on his taxes by making a pre-tax contribution, each dollar Fred contributes actually costs him less than a dollar – a "discount" that makes saving even more attractive.

For illustrative purposes only. It assumes an 8% rate of return and reinvestment of earnings with no withdrawals. The illustration does not reflect any charges, expenses or fees that may be associated with your Plan.

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Tips For Retirement Savings – Day 2

Can You Afford To Save? Try These Budgeting Tips!

By cutting back just a little on some common monthly expenses, you can easily afford a modest contribution that will grow significantly over time. Just consider how much one person can save by cutting back on a few common items:

Expense	Give Up How Often	Monthly Savings	Value if Invested for 25 Years
Dinner	Once a week	$100	$94,745
Lunch out	Twice a week	$60	$56,847
Coffee and bagel	Twice a week	$40	$37,898
Vending machine soda	Once a day	$12	$11,369
Movie ticket	Once a month	$10	$9,474

Monthly costs are based on general average prices.

This illustration is hypothetical and assumes an investment in a tax-deferred retirement account in which you earn an average annual rate of return of 8%, compounded monthly. This hypothetical example is not based on (or predicting the performance of) any specific investment plan or savings strategy.

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Tips For Retirement Savings – Day 3

The Power of Before-Tax Saving

Funding your retirement savings account with before-tax dollars provides significant tax advantages. For example if Richard contributes to a plan with before-tax dollars, it can actually increase his spendable income compared to putting aside money after taxes.

This chart shows how:	Savings Before Tax	Savings After Tax
Gross Pay	$2,000/mo.	$2,000/mo.
Minus Before-Tax Contributions	-$100	$0
Taxable Pay	$1,900	$2,000
Less: Estimated Tax Withholding	-$361*	-$380*
Less: Contributions to Other Savings Plan (After Tax)	$0	-$100
Spendable Pay	$1,539	$1,520
Before-Tax Advantage	$19	None

*This hypothetical illustration assumes 15% federal income tax withholding and 4% state and local income tax withholding. It doesn't account for Social Security, Medicare or other taxes.

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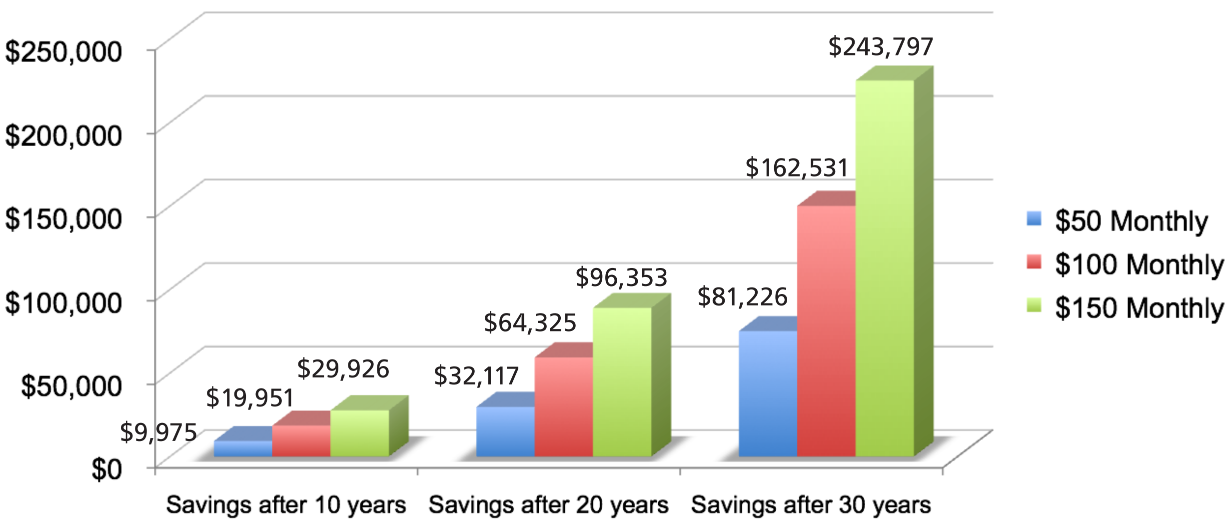
Tips For Retirement Savings – Day 4

Contributing a Little More Can Really Add Up!

Building your nest egg takes time, but the amount you contribute can significantly increase its size over time. As the chart below illustrates, if Stephanie contributes $25 every two weeks, after 30 years she will have savings of more than $81,000. A $50 contribution each bi-weekly paycheck will result in over $162,500 in savings, while $75 every month will become $243,000 when she retires. That difference can have a major impact on her quality of life after retirement.



For illustrative purposes only. This hypothetical example does not represent the performance of any investment options. It assumes an 8% rate of return and reinvestment of earnings with no withdrawals. The illustration does not reflect any charges, expenses or fees that may be associated with your Plan. The tax-deferred accumulations shown above would be reduced if these fees had been deducted.

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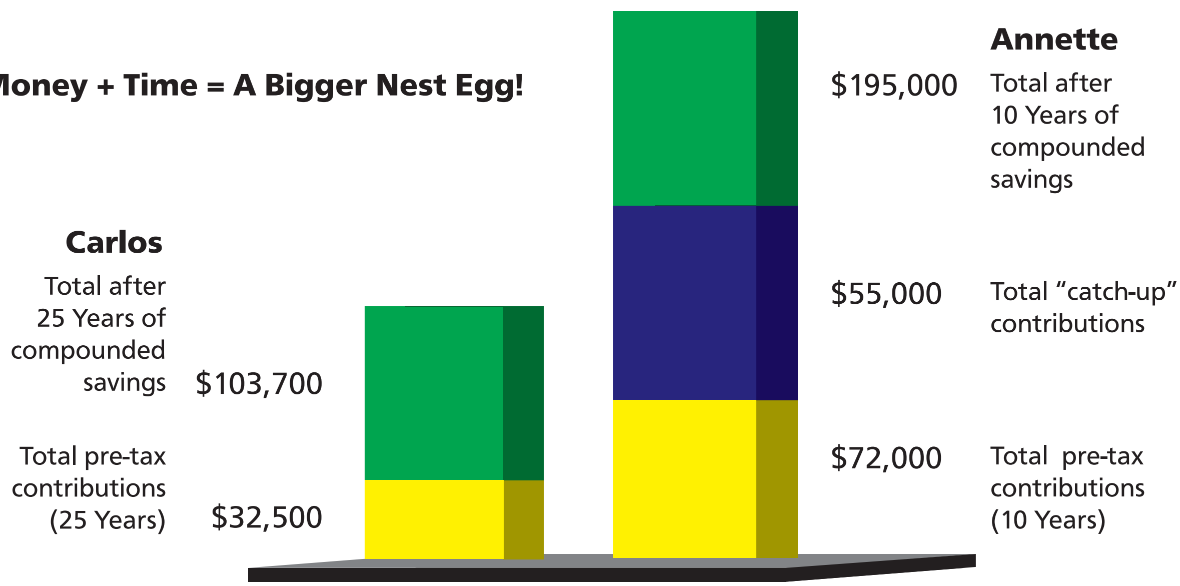
Tips For Retirement Savings – Day 5

Start Your Retirement Savings Plan Today!

At any stage of your career, it's never too early or too late to start your supplemental retirement savings plan. For younger workers, a modest contribution combined with compounding interest and the power of time can build a considerable next egg you can count on for your future. For workers over 50, the government allows you to make additional contributions to "catch up" and build your savings faster.

Example One: Carlos, 35 years of age; Planned retirement age: 60; salary: $45,000/year. Carlos decides to make a $50 contribution to his retirement savings plan with before-tax dollars every two weeks. That's only 2.8% of his gross pay, totaling $1,300 per year. Because pre-tax contributions reduce his taxable income, his contribution of $50 each check only impacts his family's budget by approximately $40 each pay period. Over 25 years with the same contribution amount, Carlos will have contributed $32,500, but because of compound interest would grow to approximately $103,700.

Money + Time = A Bigger Nest Egg!



Example Two: Annette, 50 years old; Planned retirement age: 60; salary: $65,000/year. Annette just turned 50, so she is eligible to make "catch-up" contributions in addition to her monthly contributions. Since she and her husband both work, their children have grown and their expenses are less than before, Annette is able to make substantial contributions. She opts to contribute $600 per month, or $7,200 per year, plus the maximum "catch-up" contribution of $5,500 per year. In ten years she'll set aside $127,000 from her pay which, with compound interest, total approximately $195,000.

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