

Saving for **RETIREMENT**

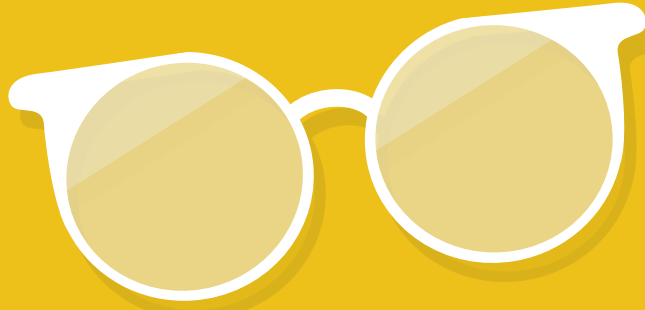
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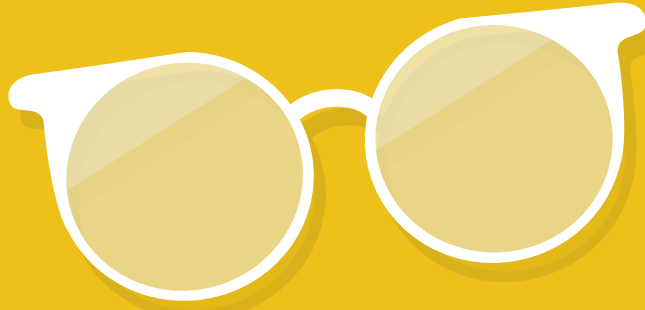
Exceptional Banking. Exceptional Service

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**MONEY
THING®**

Someday you will be an
OLD PERSON



*Take a moment
and let that sink in*



Imagining
RETIREMENT

What do you want your retirement to look like?



A worldwide
adventure?



The simple
life?



Pursuing a
passion?



Moving to a
new city?

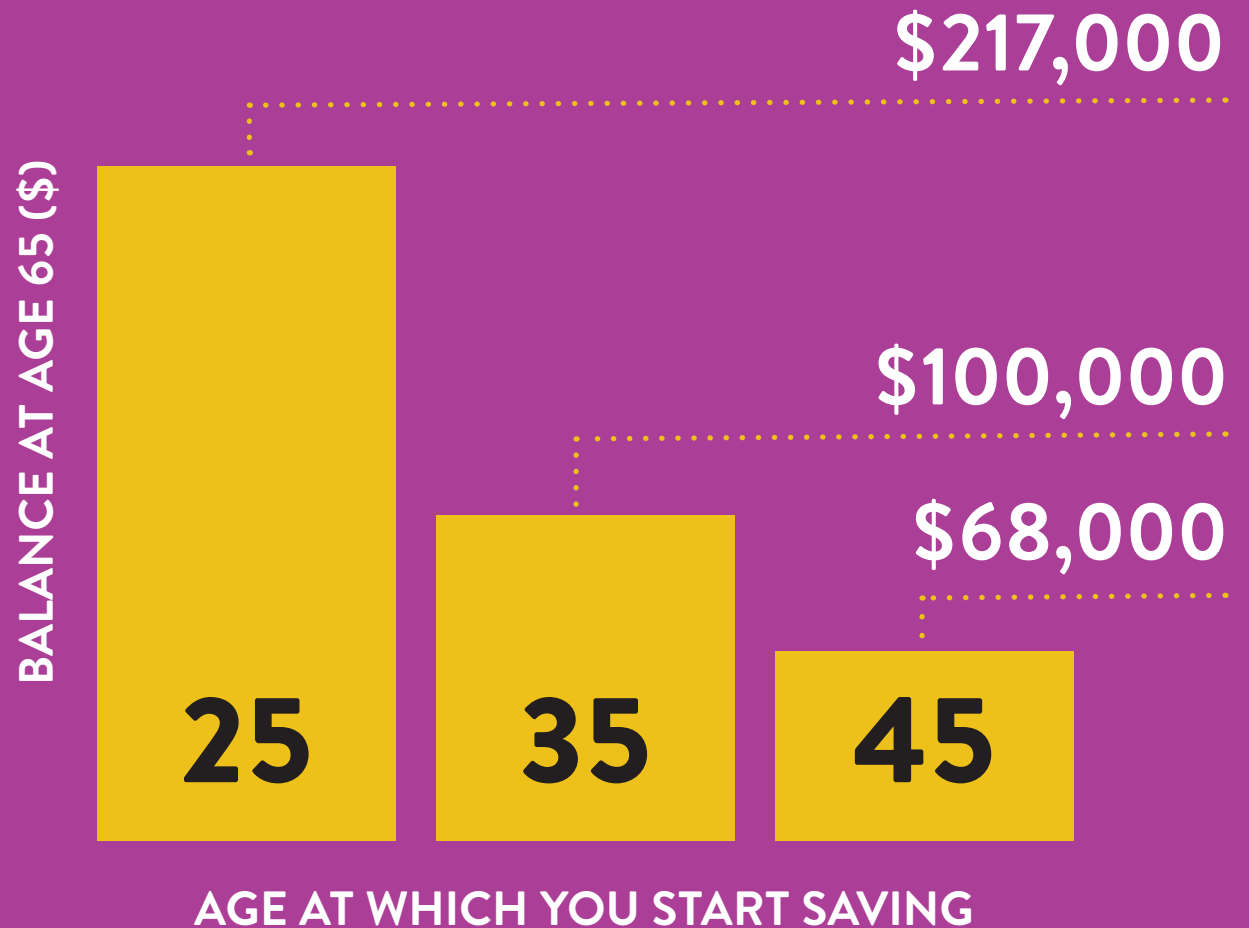


**Your retirement fund will likely be
your longest-term savings goal**

That makes it tricky to prioritize—
but it pays to start saving early!

Timing is
EVERYTHING

Let's say you put **\$10,000** in your **401(k)** and do nothing further until it's time to withdraw the balance at **age 65**



*based on an 8% average annual return

**The same investment can be worth a lot more
when given some extra time to grow**

Retirement

SAVINGS ACCOUNTS

Retirement savings accounts act like containers in which your various investments can grow tax-free



The most popular options include
Traditional IRAs, Roth IRAs and 401(k)s



COMPARING OPTIONS

TRADITIONAL IRA

Set up at your financial institution

\$6,000 contribution limit (combined limit for all IRAs)

Withdrawals can be made after age **59½**

ROTH IRA

Set up at your financial institution

\$6,000 contribution limit (combined limit for all IRAs)

Withdrawals can be made after age **59½**

401(k)

Set up through your employer

\$20,500 contribution limit

Withdrawals can be made after age **59½**

COMPARING OPTIONS

TRADITIONAL IRA

Contributions are pre-tax and can be deducted from your income tax return

Withdrawals are taxed as ordinary income

ROTH IRA

Contributions are made with after-tax dollars and cannot be deducted from your income tax return

Withdrawals are tax-free

401(k)

Contributions are pre-tax and do not count toward your taxable income for the year

Withdrawals are taxed as ordinary income

COMPARING OPTIONS

TRADITIONAL IRA

Traditional IRAs offer a wide range of investments, but their RMDs (required minimum distributions) mean you *have* to start withdrawing funds at a certain point

ROTH IRA

Unlike Traditional IRAs, Roth IRAs have tax-free distributions and no RMDs—however, they will not give tax breaks on your contribution amounts

401(k)

Your employer may offer a 401(k) contribution match, which is like free money—however, 401(k) plans are sometimes associated with limited investment options and higher fees

STARTER PLAN

1

Contribute enough to meet your 401(k) match

2

Switch over and max out your Roth IRA contribution

3

If you have money left over, top up your 401(k)

Strategies for **SAVING**

**In order for your money to grow,
you need to create the right environment**



Eliminate high-interest debt

Paying down credit cards (and other high-interest debt) should be your top financial priority





Build an emergency fund

The last thing you
need is an unexpected
expense taking a bite
out of your savings

Maximize your repayment plan

See if there's a smart way to consolidate or refinance your loans as a way of freeing up extra cash for savings





Start today

Time is on your side
when it comes to
retirement savings—
even if you have to start
small, start saving today

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Sources: Investopedia, IRS.gov, NerdWallet, The Motley Fool, Time Inc.

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