Waiting to save for retirement may cost you more than you think

Are you saving for your retirement? If not, when do you plan to start? Next month? Next year? If you're not saving for retirement now and think you can make up for it in the future, think again. Putting away even a small amount each pay period now can help make a huge difference when you're ready to retire.

More years, more money

Your generation will likely live longer than previous ones. By living longer, though, that means you will need more money for retirement. Think about what would happen if you retired at age 65 and lived to age 90. What about age 100? You would need enough saved for retirement to last almost as long as you worked for. Whatever your retirement goals are, the last thing you want to worry about in retirement is outliving your money.

A retirement saving goal to consider is to replace at least 70% of your current annual income for each year in retirement. This will help you maintain your lifestyle in retirement and live the way you did when were working.

You can't expect to spend less in retirement than you do today either. Think about what things cost now compared to just 10 years ago. Now think about what costs may be in decades from now. Everything is likely to cost more. Inflation will also damage the purchasing power of your retirement dollars. So while an expense like your house may be paid off by the time you retire, other expenses like healthcare will likely increase for you as you get older. That's why every paycheck you don't save for retirement is a missed opportunity to create the income you'll need in the future.

Save now, pay later

One of the best and simplest ways to begin saving is to take advantage of the CalPERS 457 Plan. If you're worried about whether you can afford it, keep in mind it helps you save both now and in the future. Here's how:

- **Less tax today:** Every dollar saved as a pre-tax contribution to the CalPERS 457 Plan reduces your taxable income for the year by a dollar.
- **Less tax tomorrow:** Your account grows tax deferred, meaning you won't pay taxes on your contributions and any earnings until you make a withdrawal from the Plan. Since you may be in a lower tax bracket at retirement, you would pay less taxes in the future than you would today.

Start saving today

You're never too too young to start planning for your retirement. The sooner you start, the better. By saving for retirement early in your career, you'll enjoy the potential benefits of tax-deferred growth and compounding interest for decades. Compound interest is how your account grows over time because you earn interest on the interest you have already earned. Your money is your money-maker, so give it as much time to grow as possible.

Ready to start saving?

CalPERS
CalPERS **457 Plan**

It's easy to enroll in the CalPERS 457 Plan. Start with your savings source.

If you're not sure how to save for retirement, remember that pre-tax saving to the CalPERS 457 Plan impacts your paycheck by less than you think. You can change your savings rate to the Plan at any time.

** Assumes a 28% income tax rate.*

You can also save on a Roth after-tax basis. That means qualified withdrawals of federal tax-free income in retirement. Before enrolling to save on a Roth after-tax basis, check with your employer to confirm they can process Roth contributions and then consult with your tax advisor to ensure Roth is right for you.

Get going today. We are here to help.

Visit calpers.voya.com to enroll in the CalPERS 457 Plan online on a pre-tax saving basis. To join the Plan by saving on a Roth after-tax basis, visit calpers457.com to download and complete the ***Participant Enrollment Kit***. Scan the QR code, call **888-713-8244**, or visit calpers457.timetap.com to schedule an appointment for enrollment help with a dedicated Account Manager.

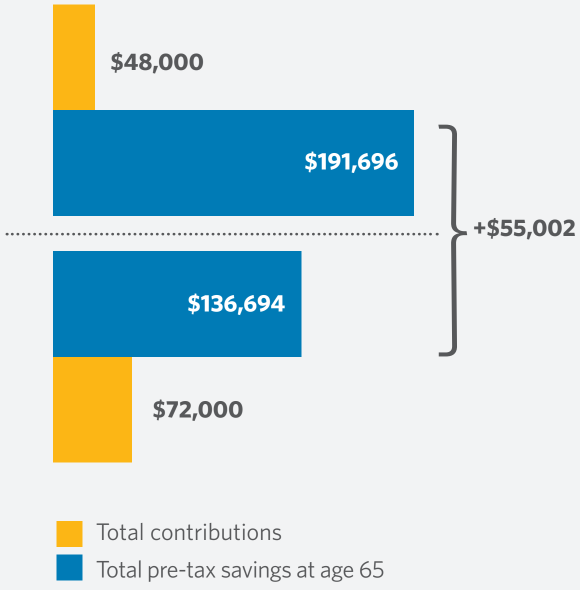
SCAN TO SCHEDULE AN APPOINTMENT

The impact of waiting.

The following chart shows that waiting may cost you (depending on your investment choices and market conditions).

Susan started saving **$100** a month at age 25. After **40** years, she will have contributed $48,000.

Dave started saving **$300** a month at age 45. After **20** years, he will have contributed $72,000.



With more time for her money to grow, Susan contributed less and ended up with more for retirement.

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