Saving for your future starts with a plan

Now's the time to enroll in deferred compensation.

Nationwide® Financial

What's your plan for retirement?

These days, investing for retirement is just as important as being financially prepared for a rainy day. Having supplemental retirement income is more than a "nice-to-have" — it's a necessity. Today, people are living longer in retirement, while inflation and rising medical costs are eating away larger portions of their retirement income. Recent studies show you may need to replace as much as 126% of your income in retirement (when you factor in health care).[1]

Your employer realizes a pension and Social Security aren't going to provide enough income to live on when you retire. That's why they offer a workplace savings plan — called deferred compensation — administered by Nationwide Retirement Solutions.

At the end of the day, investing for retirement doesn't have to be complicated. It just starts with a plan.

[1] *"Hewitt Study Reveals Widening Gap Between Retirement Needs and Employee Saving Behaviors,"* Hewitt Associates press release, July 01, 2008.

Saving through deferred comp is convenient and smart.

Save now. Save often. Save as much as you can. Taking these steps will potentially help you reach your income goals for retirement. Here's how it works:

As soon as you enroll, you begin taking advantage of services that help you reach your retirement goals. Automatic payroll deduction makes it convenient to defer money each pay period, before it's taxed. That means fewer tax dollars are paid on today's income, making a smaller impact on your take-home pay.

Growing your money with pretax deferrals.

Your investments can also grow tax deferred, meaning you don't pay taxes until you start taking withdrawals — typically in retirement. You may pay less in taxes on that money because you'll be using it to subsidize installments from Social Security and your employer's pension.

Any earnings are reinvested, so they also have the chance to grow tax deferred.

Let's look at a hypothetical example of how pretax investing works.

Chart assumptions: This illustration is a hypothetical compounding example that assumes 25% tax rate for $50 biweekly deferrals (over 25 years) at an 8% rate of return with reinvestment of income. In the after-tax example, continuing taxes on earnings reduce the rate of return to 6% over 25 years. The tax-deferred total does not reflect fees and expenses that may be incurred under a particular investment. If fees and expenses were taken into account, they would reduce the performance shown. This information is hypothetical and is not intended to predict or project the investment results of any specific investment. Investment return is not guaranteed and will vary depending on your investments and market experience. Return will vary, particularly for long-term investors.

Mary's deferred comp advantage

After-tax
$55,144

$50 taxable
=$37.50
contributed
per pay

Pretax
$74,203

$50 pretax
=$50
contributed
per pay

Jim sets aside $50 per gross pay. After taxes, his $50 is reduced to $37.50, which he then contributes to an outside account for retirement. Over 25 years, his account grows and he receives **$55,144** in a lump sum at retirement.

Mary contributes $50 per gross pay into a deferred comp plan. Because her contributions are tax-deferred, she is able to invest the entire $50 while only reducing her paycheck by $37.50. Over 25 years, her pretax contributions and earnings grow tax deferred, and she receives **$74,203** in a lump sum at retirement after taxes are taken out.

Investing involves risk, including possible loss of principal.

Saving through deferred comp comes with options.

You decide how and where to invest your money, using handy tools provided by Nationwide®. Whether you choose to do-it-yourself, take a do-it-for me approach or a little bit of both, you build a mix of investment options to help meet your specific goals. This allows you to be as hands-on or hands-off as you like.

Saving through deferred comp is flexible.

Deferred comp is designed to fit the unique needs of public sector employees. You can change how much you're saving at any time. In fact, many employees make it a point to increase their deferrals annually and when they receive a raise or earn a promotion.

Unlike other retirement plans, deferred comp takes into account that you may retire sooner than workers in other sectors. **So you don't have to worry about paying a penalty for retiring before age 59½.**

Because you may spend fewer years in the workforce, deferred comp also offers "catch-up" provisions. You can stash extra money into your deferred comp account when you are within a specific time frame of retirement.

You're also able to consolidate an IRA or other qualified retirement plans, like a 401(k) or 403(b), into your deferred comp account. This allows the simplicity of keeping all of your money in one place — while you're working and even when you retire.

Save now through deferred comp.

The more time you remain invested, the more opportunity your investment has to grow.

You can enroll online, over the phone or onsite. After all, it starts with a plan — your deferred comp plan. When it comes to saving for retirement, time really is money. That's why it's smart to start now. Enroll today. It's the most important action you can take.

Nationwide® has the answers when you need them.

You have questions. We have around-the-clock services to help answer them. You have 24/7 access via automated telephone inquiries, plus online services and resource to help you stay on track.

Our local representatives — who have helped build your plan from the ground up — are available to help guide your decisions and offer new insights into retirement investing. When you need help, we're just a call, click or e-mail away.

To enroll today or learn more, call your Nationwide representative today. Contact information is located on the business card at the end of this brochure.

Notes

Notes

Implement your retirement plan today.

No matter where you are in life, your retirement starts with a plan. And Nationwide can help you in getting that plan started today.

We're here to help you. If you have any questions after reading this brochure, please call or visit us online.

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Investing involves market risk, including possible loss of principal.

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at www.nrsforu.com.

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- ❑ Enroll
- ❑ Schedule an individual meeting
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- ❑ Consolidate assets
- ❑ Increase my deferral

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READY TO IMPLEMENT **YOUR** PLAN?

Enroll online at NRSforU.com or contact me. I'll help guide you through the process.

Questions? Please call

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