

*Retirement Planning  
Invest in Your Future*



**PAYCHEX**<sup>®</sup>  
*Retirement Services*

What are your dreams for retirement — travel, vacations, time with family? Make sure you've saved enough to reach your retirement goals. Planning today for what you want tomorrow will help you reach those goals. You have an opportunity to achieve your dreams.



## Your Retirement...

### Where Do You Start?

Starting your planning today will involve a few decisions:

- Do you want to take advantage of a company-sponsored retirement plan to start saving?
- How much can you set aside from each paycheck?
- How will you invest that money?

### What Are Your Dreams?

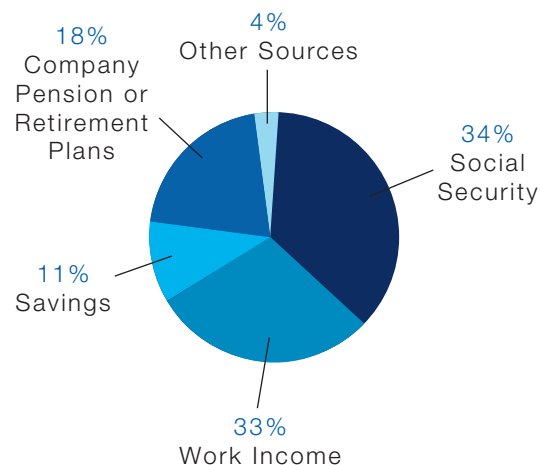
You have dreams and goals for your future. Having the financial security to reach those goals is up to you. The decision to save, plan, and invest now can determine what goals you will achieve and what freedoms you will enjoy as you grow older. You have the opportunity to begin your 401(k) savings plan today.

### Living Longer-Saving Enough

Today we are living longer, healthier lives. Having enough money saved to last your lifetime is all about planning. Social security can be a significant source of income, but is it enough and will it be there when you need it? Social security is really meant as a supplement to your retirement income. Almost 60% of your income in retirement will be left up to you.

Social security, some pensions, and annuity payouts do not grow with inflation. Smart planners know that they will need other forms of income, especially for the long term. A 401(k) retirement plan can help. 401(k) savings can protect your purchasing power in retirement.

### Sources of Retirement Income\*

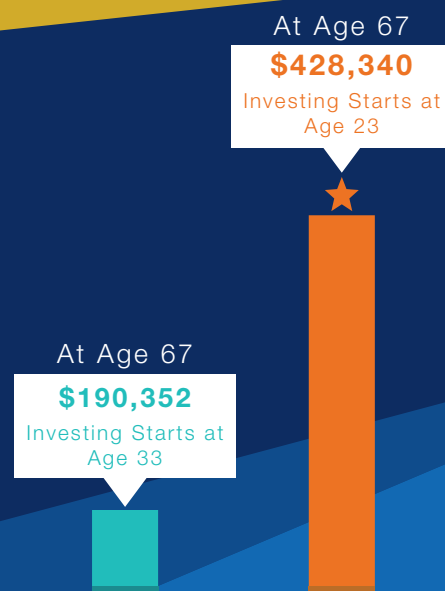


*\*Typical income sources breakdown for a retiree*

**Source:** Data from Fast Facts & Figures About Social Security, Aggregate Income by Source, published by the Social Security Administration, September 2015. ([www.ssa.gov](http://www.ssa.gov))

By investing early, you can make a large difference in the amount you have saved by retirement age. It's never too soon to begin planning; the important thing is to get started.

## Acting Sooner Can Pay Off



## Your Future Plan...

### Planning Ahead

Planning now for your retirement will provide you the best opportunity to reach your financial goals. The sooner you begin saving or contributing to a retirement savings plan, the better your chance of growing your investment over time.

### Tax Advantages

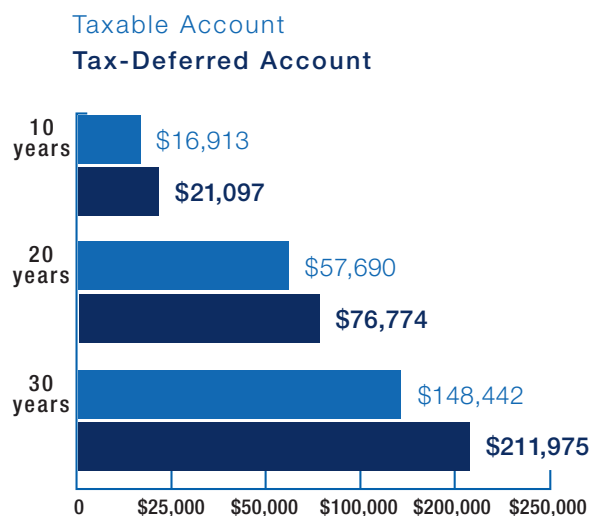
The contributions you make to your company's 401(k) plan are deducted from your pay before taxes are withheld. As a result, your taxable income is reduced and you pay less in current taxes.

Annualized Gross Pay	\$35,000	\$35,000
401(k)	0.00	-1,750
Taxable Pay	35,000	33,250
Federal Income Tax (18%)	-6,300	-5,985
FICA (7.65%)	-2,678	-2,678
Conventional Savings Account	-1,750	0.00
<b>Net Take Home Pay</b>	<b>\$24,272</b>	<b>\$24,587</b>
Putting the same amount away for retirement = annualized savings of \$315		

The money you have invested can also grow without being reduced by current taxes. This potential growth in savings is not taxed until the money is withdrawn, and is called tax-deferred compounding. The following chart shows the benefit of tax-deferred compounding.

### The Benefit of Tax-Deferred Compounding

Savings of \$100 per month



This graph compares the growth of \$100 per month (adjusted for inflation over time) contributed to a tax-deferred retirement account and the same amount contributed to a taxable account. Balance in the tax-deferred account will be subject to income taxes on withdrawal. Assumes 8% annual return, 4% annual wage inflation, and 15% federal tax rate. From the taxable account, taxes are taken monthly on deposits and annually on gains.

\* Deferrals are subject to FICA tax.

You must decide the amount of savings that is right for you. You can sometimes reduce your overall risk by spreading your contributions out over different types of investments. Talk to your company's financial advisor for guidance.



# Your Savings Goal...

## What Amount of Savings Is Right for You?

Investing even a small amount of your pay can make a difference at retirement. Only you can determine your personal savings goal and how much you are willing and able to contribute to your 401(k) plan each year. You can change the amount you elect to defer throughout the year if necessary.

## Growth and Risk

Every investment carries some risk. Understanding the types of investments offered through your plan will help you to make smarter choices about how much and where to begin investing.

Understanding Investments	
Type of Investments	Description
Cash Equivalent/Money Market Funds	A fund that seeks to maintain a stable net asset value by investing in the short-term, high grade securities sold in the money market.
Bonds/Fixed Income Funds	A fund that invests primarily in bonds. Bond funds generally emphasize income over growth and can generate either taxable or tax-free income.
Stock Funds/Equities	A fund that invests primarily in stocks.

## Diversify

Diversification means spreading your money across different types of investments to reduce your overall risk. Differing types of investments do not always perform the same way at the same time. You can smooth the ups and downs of market cycles by diversifying.

Annual Salary	If you want to contribute this percent of your annual salary				
	3%	5%	8%	10%	15%
your monthly contribution will be:					
\$20,000	\$50	\$83	\$133	\$167	\$250
\$30,000	\$75	\$125	\$200	\$250	\$375
\$40,000	\$100	\$167	\$267	\$333	\$500
\$50,000	\$125	\$208	\$333	\$417	\$625
\$60,000	\$150	\$250	\$400	\$500	\$750

Current legislation, like the Saver's Credit, makes this a great time to review your retirement plan options. By putting aside just a small percentage today, you better the chances of your savings growing over time.



# Your Opportunity...

## GuidedSavings

Knowing how to make investment choices that will support your short- and long-term financial goals is difficult. To help you with those decisions, Paychex has partnered with investment advisor GuidedChoice to provide an online tool called GuidedSavings<sup>SM</sup>. GuidedSavings\* provides plan advice based on your personal data, and is designed to chart what may be the most effective path toward your retirement. Through appropriate asset allocation, GuidedSavings will develop a portfolio that can maximize your expected level of return based on a level of acceptable risk defined by you.

*\*The GuidedSavings service is an option elected by your plan administrator. If you cannot access the tool, contact Paychex or your plan administrator to verify its availability.*

After registering for the Paychex Retirement Services website at [www.paychexflex.com](http://www.paychexflex.com)\*, simply click [Sign up now](#) (using the GuidedSavings icon) to take advantage of this service.

*\* If you have a MyPaychex account, you must access the Paychex Retirement Services website through <https://www.mypaychex.com> and follow the steps outlined to create an account.*

## The Saver's Credit

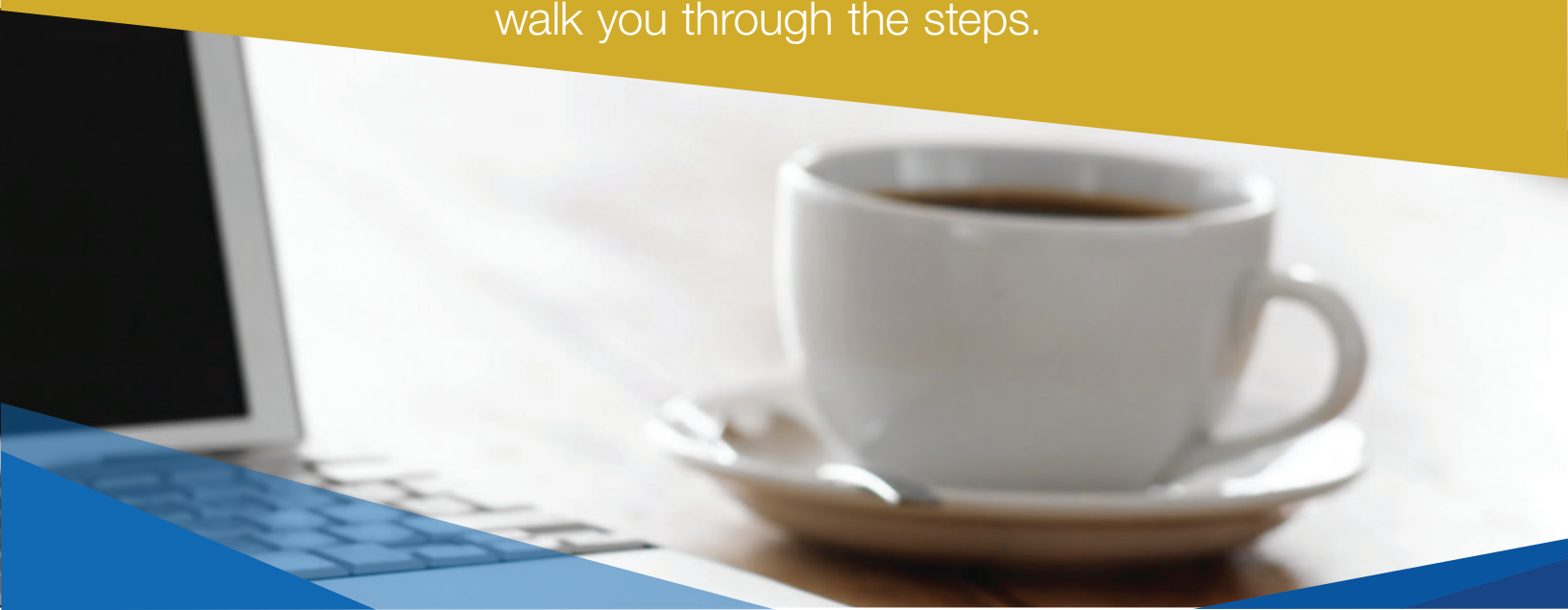
You may also be eligible for added savings through the "Saver's Credit." Ask your tax professional if you qualify. The credit is generally a portion of the eligible contributions you make to a retirement plan or IRA and favors low-income individuals. You may be able to take a credit of up to \$2,000, or \$4,000 if filing jointly.

Filing Status Of	Income Up To
Single/Married Filing Separately/ Qualifying Widow	\$30,750
Head of Household	\$46,125
Married Filing Jointly	\$61,500

To claim the credit, you must have been born before January 2, 1998; not have been a full-time student during the calendar year; and not claimed as a dependent on another person's return.

For more information, visit the IRS website at [www.irs.gov](http://www.irs.gov) or contact your tax professional.

You now have an idea of what you want your retirement to look like and realize you need to set something aside to reach your goals. Luckily, enrolling in your plan has never been easier. With the Paychex website, you can enroll with the click of a button. Our website will walk you through the steps.



## Your Time Is Now...

### You Can Enroll Today... Here's How

1

Visit [www.paychexflex.com](http://www.paychexflex.com)\* to complete your enrollment.

2

Select [Register for a new account](#) under the New Users heading. Once registration is complete, click [Retirement Services](#), located on the left menu. Click [Enroll Now](#) when prompted.

You can also enroll by calling the automated Paychex Employee Services phone line at 877-244-1771, Retirement Services option. Please have your social security number handy.

3

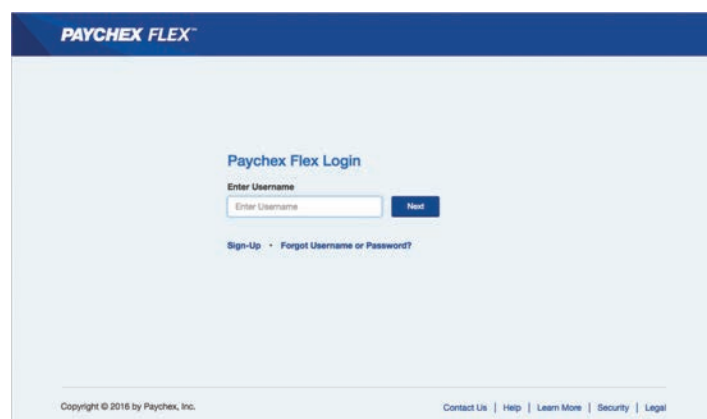
Determine the amount of your pay you want to contribute to your plan.

4

Select your investments in 1% increments, making sure they total 100%.

Additional information regarding the investments available to you can be found at [www.paychexflex.com](http://www.paychexflex.com)\*. Paychex is not licensed to provide investment advice.

If you would like to use GuidedSavings service, after registering for the Paychex Retirement Services website at [www.paychexflex.com](http://www.paychexflex.com)\*, simply click [Sign up now](#) (using the GuidedSavings icon) to take advantage.



The enclosed fund slicks outline the current fund options available in your plan. Please review these materials to help in your investment decisions.

*\* If you have a MyPaychex account, you must access the Paychex Retirement Services website through <https://www.mypaychex.com> and follow the steps outlined to create an account.*





*Payroll • HR • Retirement • Insurance*

[www.paychexflex.com](http://www.paychexflex.com)

Paychex Employee Services  
877-244-1771