



Contribution Limits Set for 2008

This year, you can contribute up to **\$15,500** to your employer-sponsored retirement plan. And if you're 50 or older, you can save an additional **\$5,000** in catch-up contributions. But how can you save that much for tomorrow and still live comfortably today? By taking one step at a time.

1 STEP ONE: Determine How Much You'll Need

First, set your goal. The following chart will give you a ballpark idea of how much you'll need to save to replace **75 percent** of your pre-retirement income.

RETIREMENT SAVINGS GOAL

AGE	ANNUAL SALARY	AMOUNT NEEDED AT RETIREMENT
25	\$20,000	\$198,439
	\$40,000	\$601,304
	\$60,000	\$1,120,853
	\$80,000	\$1,682,991
35	\$20,000	\$144,120
	\$40,000	\$436,711
	\$60,000	\$814,044
	\$80,000	\$1,222,310
45	\$20,000	\$104,671
	\$40,000	\$317,171
	\$60,000	\$591,218
	\$80,000	\$887,729
55	\$20,000	\$76,019
	\$40,000	\$230,352
	\$60,000	\$429,385
	\$80,000	\$644,733

2 STEP TWO: Determine How Much to Save

Next, determine the percentage of your paycheck to set aside for retirement. The following chart will help. If you aren't saving that much today, consider increasing your contribution amount at least a little. Even a **1 percent increase** can boost your nest egg significantly.

WEEKLY CONTRIBUTION

AGE	ANNUAL SALARY	SUGGESTED CONTRIBUTION PERCENT	SUGGESTED WEEKLY CONTRIBUTION
25	\$20,000	3%	\$12
	\$40,000	5%	\$39
	\$60,000	6%	\$70
	\$80,000	6%	\$93
35	\$20,000	5%	\$20
	\$40,000	8%	\$62
	\$60,000	9%	\$104
	\$80,000	11%	\$170
45	\$20,000	10%	\$39
	\$40,000	15%	\$116
	\$60,000	18%	\$208
	\$80,000	20%	\$308
55	\$20,000	25%	\$97
	\$40,000	37%	\$285
	\$60,000	46%	\$531
	\$80,000	51%	\$785

These charts are for illustration purposes only. They are not intended to provide investment advice; consult your financial/tax advisor for information about your specific situation. Some amounts may exceed plan- or IRS-imposed participant contribution limits for defined contribution plans.



Social Security Is Only One Piece of the Pie

For most Americans, Social Security will not provide enough money to live comfortably in retirement. Even if you plan to live a modest lifestyle, you still may need **75 percent** of your pre-retirement income.¹

Typical Social Security payments provide **only 40 percent** of most retirees' income needs. But don't think this is simply a by-product of today's economy. You might be surprised to learn that **Social Security was never intended to be a retiree's only source of retirement income.**

Generations past could count on company pension plans to fill the income gap left by Social Security. In today's political and economic environment, it's more important than ever to take control of your financial future.

¹ "Current vs. Retirement Income: How Much Do I Need?" money.cnn.com

FOR EARNERS WHO AVERAGE: BENEFITS AT AGE 65: PERCENTAGE OF PRE-RETIREMENT INCOME:

\$16,700	\$9,400	54%
\$37,200	\$15,570	40%
\$58,900	\$20,610	34%

Source: The National Academy of Social Insurance based on data from Social Security Board of Trustees



Don't Leave Money on the Table

If your employer offers a company match, be sure to contribute at least that amount to your retirement plan. Otherwise, you won't receive the maximum amount of **FREE** money.

\$25,000 ANNUAL SALARY

AT A CONTRIBUTION EQUAL TO A 2% COMPANY MATCH

AT A CONTRIBUTION EQUAL TO A 4% COMPANY MATCH

Your contribution	\$500	\$1,000
Match contribution	\$500	\$1,000
Total one-year investment in your retirement account	\$1,000	\$2,000
Total investment after 20 years	\$20,000	\$40,000
Potential account balance after 20 years	\$47,417	\$94,833

Note: For illustration purposes only. Assumes 8 percent growth per year with money deposited at the beginning of the month. Assumes sample employer match of 4 percent. Numbers have been rounded.

\$25 Can Make a BIG DIFFERENCE

If you think you can't afford to contribute more to your retirement plan, think again. You may be able to save an extra **\$100 a month** just by eating in more often. If you're like the average American, you may spend **\$2,000 or more a year** dining out. Expenses like these can eat up your budget and make it difficult to save enough for retirement.

So eat out one less night each week and instead, contribute **\$25** to your retirement plan. In 20 years, you'll have accumulated **more than \$61,000.**

Note: Assumes an annual 8 percent rate of return.



MUTUAL of OMAHA'S CONTRIBUTIONS

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