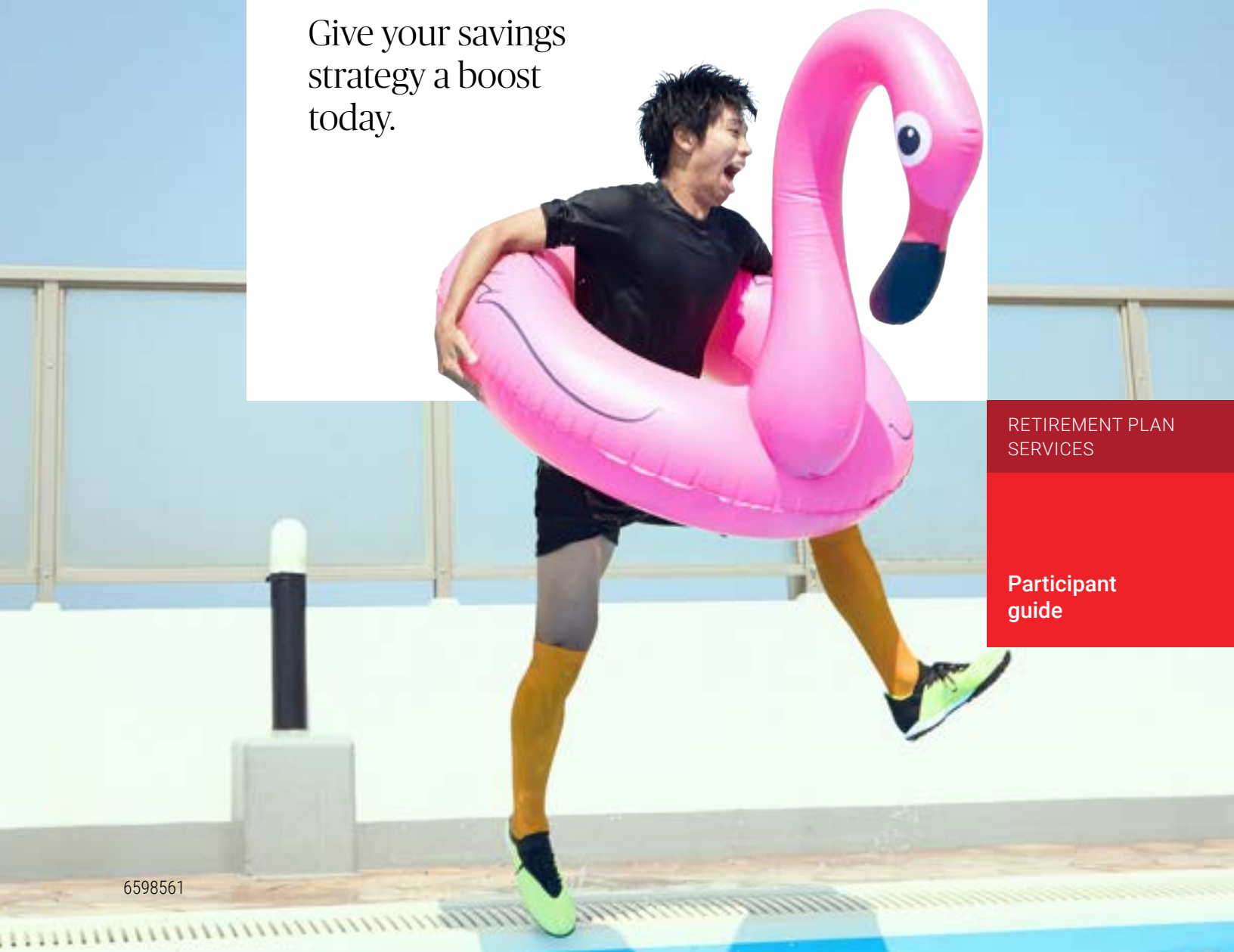
Lincoln Financial Group®

Don't miss out on the perks of participating!

Give your savings strategy a boost today.



RETIREMENT PLAN SERVICES

Participant guide

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Let your plan do the work for you.

Congratulations! You're eligible to start saving in your employer-sponsored retirement plan. Designed to help you prepare for your financial future, your plan offers several exciting benefits:

Automatic deductions

Convenient, automatic paycheck deductions can help you grow your savings each pay period without even thinking about it.

Tax advantages

If you make pretax contributions, you'll reduce your taxable income and owe less in taxes today. If you make after-tax Roth contributions, you'll pay taxes up front and enjoy tax-free withdrawals during retirement.

The power of compounding

Your small, consistent contributions will compound over time so you can make money on your money and potentially grow your savings.

The possibility of free money

If your employer offers matching contributions, be sure to take advantage by contributing enough to receive the full match. If you don't, you'll be missing out on free money.

Boost financial security

Money you accumulate in the plan is yours to keep — even if you change jobs.

From enrollment through retirement, the team at Lincoln Financial is here to support you at every step along your retirement journey. Now, let's talk about how to make the most of your employer-sponsored retirement plan.

What does retirement look like to you?

Your vision for retirement may involve spending extra time with family and friends, dedicating yourself to a favorite hobby, or traveling the world. Or maybe you plan to do all three! Having options can be exciting.

If retirement seems far off, it's okay not to have a specific goal quite yet. Whether retirement seems far in the future or right around the corner, it's important to begin saving as soon as possible to keep your options open. The longer your money has to grow, the better off you'll be.

We're here to walk you through steps you can take to start boosting retirement readiness today — so you're prepared for the future you envision, no matter what it holds.

PLANNING FOR RETIREMENT INCOME

People today are living longer and may spend 25 years or more in retirement. It's important to build up enough savings to support this longevity. Social Security may be a helpful supplement, but your employer-sponsored plan is likely to be your main source of retirement income.

The benefits of starting early

Let's take a closer look at the benefits of saving earlier. As shown in this chart, Miguel and Alyssa both started working at age 25. Alyssa started contributing $150 a month to her retirement plan right away, while Miguel waited until he was 35 to begin contributing $200 a month.

At retirement, how much more do you think Alyssa had? Nearly $100,000 more!

Alyssa contributed $150 a month for 40 years ($72,000 in total contributions)

Alyssa - $298,724

Miguel contributed $200 a month for 30 years ($72,000 in total contributions)

Miguel - $200,903

The lesson? How long you save is just as important as how much you save. In this example, Alyssa will have more retirement savings than Miguel, even though he contributed more per month. The long-term impact of compound interest will provide her with greater earnings potential.

Assumes a 6% rate of return, compounded monthly. This is a hypothetical example and is not indicative of any product or performance. It does not reflect any expense associated with investing. Taxes will be due upon distribution. It is possible to lose money by investing in securities.

Let's get started.

Once you're enrolled, you can start right away to make the most of your employer-sponsored retirement plan. First, you'll need to make just two important decisions.

1. Decide how much to save

This decision may depend on several factors, including your current savings habits, your age, and your employer matching contribution. Here are a few tips to keep in mind:

- **If you're new to saving,** it's okay to start small. Contributing 6% may be a good jumping-off point.
- **If you've already got strong savings habits,** you may want to challenge yourself to a 2% increase to your current rate.
- **If you're feeling confident in your finances,** consider contributing the maximum to give your money more time to grow.
- **If you're age 50 or older,** you may consider making additional catch-up contributions.
- **If your plan offers a match,** consider contributing enough to receive the full benefit of this "free money."

The real impact of saving

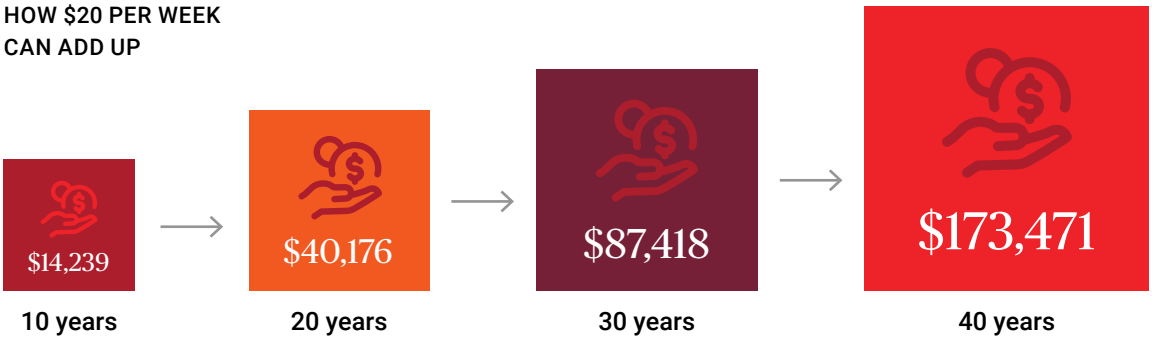
If you're new to saving, you may be concerned about the effects of retirement contributions on your weekly budget. However, finding "extra" money to save may actually be easier than you think.

Consider how much you spend each month ordering takeout or paying for multiple entertainment streaming services. Cutting down on small, unnecessary expenses like these can really boost your overall retirement savings. Take a look at your budget and see which expenses you won't miss. Even saving an additional $20 per week can really add up in the long run.

Consider this example:

Let's assume that you have a biweekly salary of $1,500, make pretax contributions of 6%, and fall in the 12% tax bracket. Contributing $90 per pay period would actually reduce your take-home pay by only $79.

HOW $20 PER WEEK CAN ADD UP

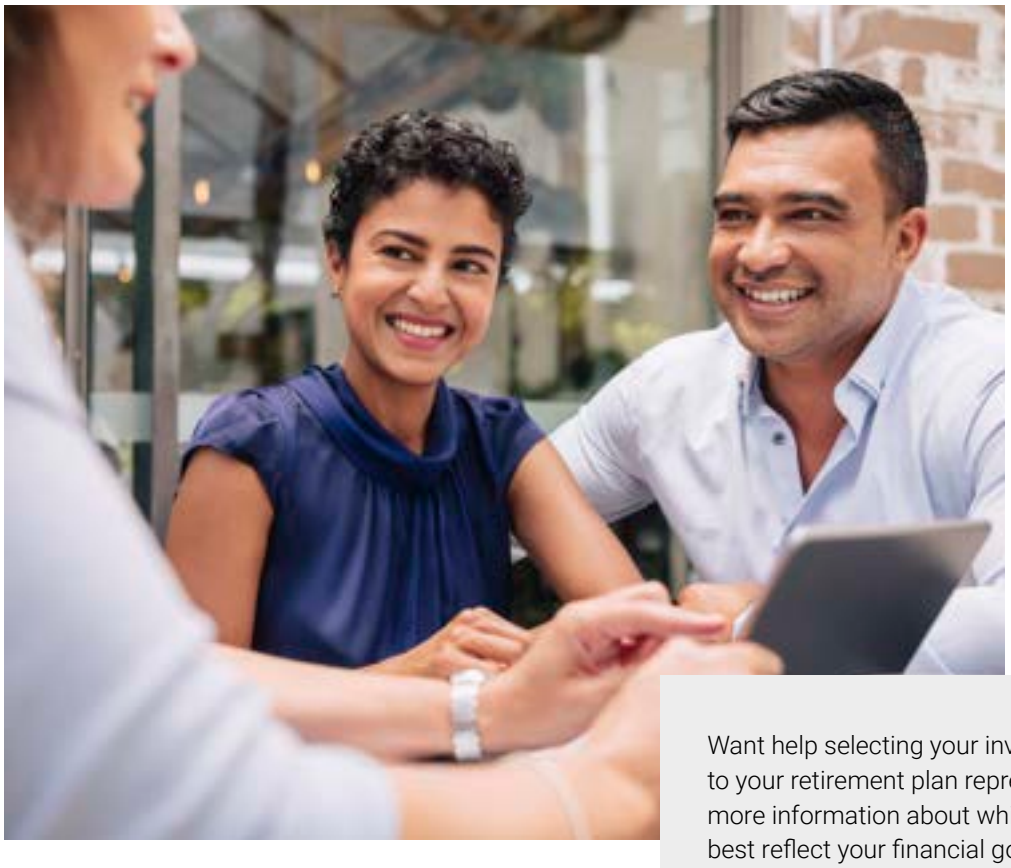


Assumes a $20 per week contribution and a 6% rate of return, compounded weekly in a tax-deferred account. This is a hypothetical example. It is not indicative of any product or performance and does not reflect any expense associated with investing. Taxes will be due upon distribution, including 10% penalty tax on distributions made before age 59½ unless an exception applies. It is possible to lose money by investing in securities.

2. Decide how to invest

How you invest is a personal decision, and investors come in many different types. That's why your employer offers a variety of investment choices. Let's find out what kind of investor you are:

- **The all-in-one portfolio investor.** If you like the idea of selecting a single investment choice, this approach may be right for you. A professionally managed all-in-one investment vehicle offers diversification across multiple funds and investment objectives that are tailored according to your timeline or risk tolerance (risk comfort).
- **The hands-on investor.** If you enjoy creating and managing your own portfolio, you may want to select your own investments from your plan's lineup. Options will vary in terms of risk and earning potential.
- **The hands-off investor.** Would you prefer to let someone else manage your investments entirely? Some plans offer a managed account service that allows you to leave your investments in the hands of a professional. Fees may be charged for using a professional account management service.



Want help selecting your investments? Talk to your retirement plan representative for more information about which investments best reflect your financial goals.

Learn more about investing strategies at **LincolnFinancial.com/Retirement**.

Manage what you can

While you can't control some things — like the stock market or unexpected global events — you can manage several aspects of investing. These factors can have a big impact on how much you'll have saved at retirement:

1. How much you invest
2. How long your savings can grow
3. How you invest

Make the plan work for you

In addition to managing your investments, make sure you're taking advantage of all your plan has to offer during the enrollment process.

- If you've received a paper enrollment packet, complete and submit your choices as directed. You can also visit **LincolnFinancial.com/Register** to register your account online today.
- If you have questions, your retirement plan representative may be able to help. Or, you can call us toll-free using the number provided in your enrollment packet.

Your retirement future matters.

The best time to start planning for your future is today. No matter where you see yourself in retirement, we're here to provide the support, education, and tools you need at each step along the way.

We're optimistic about your future, and we think you should be, too. For more information, contact your retirement plan representative or visit **LincolnFinancial.com/Retirement**.

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Not insured by any federal government agency
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