

Are you throwing away a **bonus**?



If you're not saving for retirement through your employer's plan, you might as well get a bigger trash bin. Your retirement plan enables you to save on a pretax basis: Your contributions are deducted from your pay before federal taxes. This lowers your current taxable income—the IRS takes less each paycheck than if you didn't save through the plan—and you could owe less when you file your 1040 too.

It also means you pay less in taxes currently than if you'd saved the same amount in an after-tax account. Plus your savings generate a **matching contribution** from your employer—50% of the first 6% of pay you contribute. Not taking advantage of it all is like throwing away a bonus!

The power of pretax savings

What could pretax savings mean for you? Consider Mary and Susan. Both earn \$30,000 a year, and both save 6% (\$1,800) for retirement. Mary contributes her \$1,800 to her retirement savings plan and thereby reduces the amount of her pay that is subject to federal taxes. Result: \$450 in tax savings. By contrast, Susan contributes her \$1,800 to an after-tax account; her full paycheck remains subject to taxes. In addition, Mary's contribution generates a \$900 matching contribution from her employer. That's like getting a \$900 bonus, for a total savings advantage of \$1,350! Plus, Mary knows she has \$2,700 working toward her future. A good deal all around!

Pretax Savings Advantage	Mary	Susan
Gross annual income	\$30,000	\$30,000
Less annual pretax contribution (6%)	-\$1,800	\$0
Taxable Income	\$28,200	\$30,000
Federal taxes	-\$7050	-\$7,500
Adjusted gross income	\$21,150	\$22,500
Less after-tax savings (6%)	\$0	-\$1,800
Take-home pay	\$21,150	\$20,700
Tax Savings	\$450	\$0
Matching Contribution "Bonus"	\$900	\$0
Total Savings Advantage	\$1,350	\$0

Think ahead. Take action now.

- ✓ **Sign up!** Enroll in your plan at www.TA-Retirement.com, or call **800-401-8726**.
- ✓ **Max your match.** Contribute at least enough to earn your full employer match—a benefit you can't afford to overlook.

Hypothetical example is based on a 25% tax bracket and is for the purpose of illustrating the impact of pretax savings only. Matching contributions are subject to plan vesting requirements, are governed by the plan document, and are subject to change. Securities offered by Transamerica Investors Securities Corporation (TISC), 440 Mamaroneck Avenue, Harrison, N.Y. 10528. Transamerica and TISC are affiliated companies.

