

Retirement Made Simple

by Retirement Strategies Group



401(k) Contributions & Assumed Investment Returns In A New Financial World

Issue: Market losses and long-term financial outlook forces new calculations to hit targeted retirement account balance.

Solution: Revise assumed investment returns down and increase 401(k) contributions to make up for the losses experienced over the last 12 months.

The chart below shows to what level 401(k) contributions should increase based on a lowering of the assumed investment return from 8.00% to 6.50% based on a 25%, 35% or 45% loss in the 401k account balance. The calculations assume a \$50,000 starting balance, 20 years until retirement and a \$75,000 annual salary.

<u>Account Loss</u>	<u>Old Deferral</u>	<u>New Deferral</u>
25%	6.00%	9.70%
	10.00%	14.4%
35%	6.00%	10.2%
	10.00%	14.9%
45%	6.00%	10.7%
	10.0%	15.4%

For a personalized 401(k) analysis or complete FinancialMRI, please contact a RetirementMadeSimple expert toll-free at (800) 423-4891 or by email at info@MyRetirementStrategy.com

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