

How to Save for Retirement

It pays to start early with retirement planning.

You may need up to 80% of your annual income today to retire comfortably.¹

Here are five ways to help get your retirement plan off the ground.

1 Determine How Much You Might Need to Retire Happily

It's time to crunch some numbers and review your expenses.



Let's say the total equals **\$3,000/MONTH**.

You'll likely need a minimum of this amount in retirement income to cover these expenses.

$$\text{\$36,000} \times \text{clock icon} = \text{SAVINGS GOAL}$$

total retirement income for the year

anticipated length of your retirement

2 Make Saving a Priority

After you have a savings goal, determine how much you should put aside each month. A good rule of thumb is to set aside about **10-15% of your income² for retirement.**



3 Decide How You'll Prepare for Retirement

Here are some options:

401(k): Contribute a percentage of your income. Some employers even match a portion of your contributions.

Traditional or Roth IRA: Put pre-tax or after-tax dollars into a retirement account.

SEP IRA: Self-employed? Make tax-deductible contributions of up to 25 percent of your salary (for 2020).³

SIMPLE IRA: Make tax-deductible contributions of up to \$13,500 (for 2020).⁴

Annuity: Potentially earn interest and defer paying taxes on the earnings until you make a withdrawal.



4 If You're 50 or Older, Consider Making Catch-Up Contributions

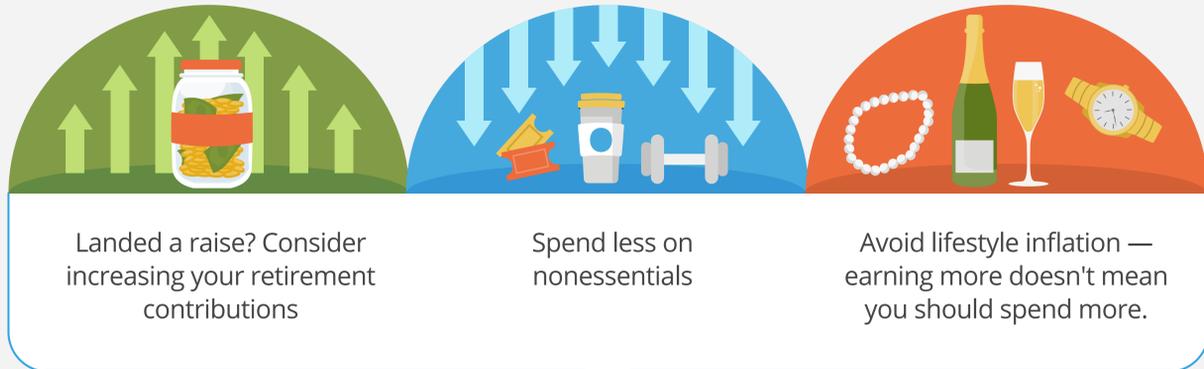
Behind on retirement savings? If you're 50 or older, making catch-up contributions can help you get closer to your goal.

For 2020, you can contribute an additional \$1,000 to an IRA or an additional \$6,500 to a 401(k).⁵



5 Put in the Work

Continue to save every month.



Our Retirement Calculator may be helpful to you in your retirement planning. Take a few minutes to answer a short series of questions to discover how much you may need to save.⁶

Start developing the road map to your retirement destination today.
www.westernsouthern.com

Sources:

¹ www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-benefits-of-saving-now

² money.cnn.com/retirement/guide/basics_basics.moneymag/index7.htm

³ www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-seps-contributions

⁴ www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-simple-ira-contribution-limits

⁵ www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-catch-up-contributions

⁶ www.westernsouthern.com/wslife/learn/retirement-checkup-calculator