

Catch-up provisions

Opportunities to
accelerate your savings



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is on your side

Make the most of your remaining years in the plan

If you're nearing retirement, your 457 deferred compensation plan (deferred comp) may offer two ways to help you maximize your savings before you retire:

- **Age 50+ Catch-up**
- **Special 457 Catch-up**

Depending on your situation, you may qualify for one of these options — but you may use only one catch-up provision in a year.

53% of American households are at risk of not being able to maintain their current standard of living in retirement.¹

¹The National Retirement Risk Index: An Update, Center for Retirement Research at Boston College, Issue Brief 20-12, October 2012.

Why invest more in deferred comp?

For most Americans, pension and Social Security benefits will not provide enough retirement income.

1/2

On average, **a pension provides about 1/2 of current income** after 25 years of service²

UP TO
90%

Most **experts suggest you will need 70%-90% of current income** to maintain your standard of living²

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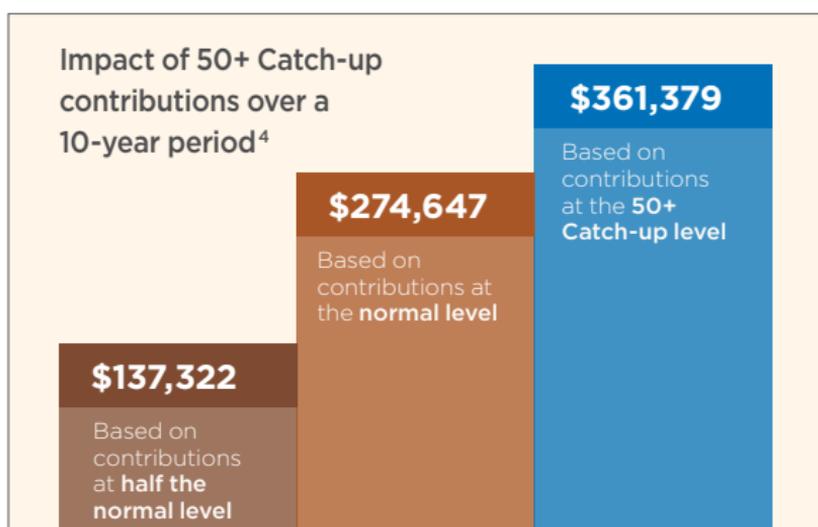
At an average annual inflation rate of 4%, **in 20 years you'll need \$10,000 to buy what \$5,000 buys now**³

² Hewitt Study Reveals Widening Gap Between Retirement Needs and Employee Saving Behaviors, <http://hr.cch.com/news/pension/072308.asp>, accessed 6/15/11.

³ How Prepared are State and Local Workers for Retirement? Center for Retirement Research at Boston College, Oct. 2011.

Additional contributions can really add up

Taking advantage of higher catch-up limits can have a significant impact on an investor's income in retirement.



Even if you can't contribute the maximum, increasing your deferral amount a little each year can help move you closer to your goals.

⁴ This example reflects three different levels of allowable deferred comp contributions and highlights the potential benefits of the Age 50+ Catch-up. The effective annual rate of return is 7%. Investment returns are not guaranteed and will vary by investments and market experience. If fees, taxes and experiences were reflected, the returns would be less.

Age 50+ Catch-up limits allow you to save more

Starting the year you turn 50, you can contribute up to \$6,000 more annually than the normal maximum contribution limit.

Current IRS Annual Deferral Limits ⁵	
Normal Deferral	\$ 19,000
Age 50+ Catch-up Limit	\$ 6,000
Total Maximum Deferral	\$25,000

To defer the maximum amount of \$25,000, you would need to contribute:

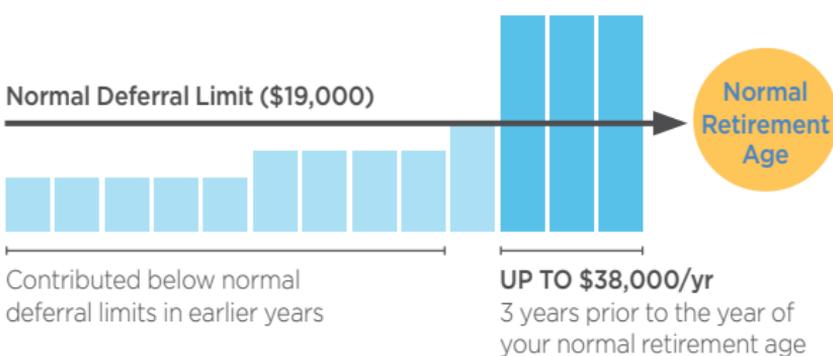
Pay Frequency	Contribution
Weekly (52 pays)	\$ 481
Bi-weekly (26 pays)	\$ 962
Semi-monthly (24 pays)	\$ 1,042
Monthly (12 pays)	\$ 2,084

⁵ IRS Announces 2019 Pension Plan Limitations, Internal Revenue Service, IR-2018-211, Nov. 1, 2018.

Take advantage of Special 457 Catch-up

If you are in the three years prior to the year of your normal retirement age⁶ and did not contribute up to the maximum allowable deferral in the past, you may be eligible for Special 457 Catch-up.

It allows you to defer additional money into the 457 deferred compensation plan — up to double the normal limit for up to three years.



Your additional contributions cannot exceed the total underutilized deferral amount in the past. This provision is only available to participants in 457 plans.

Whether you're retiring soon or have more years left, saving more now can help make a real difference to your retirement.

⁶You must meet the parameters of normal retirement age according to your employer's plan. This can be no earlier than the year you would be entitled to full retirement benefits with no reduction for age or service, and can occur no later than age 70½. Ask your plan administrator for more information.



For help determining your eligibility for catch-up provisions:

- Talk with your local Nationwide Retirement Specialist
- Call 855-463-4977
- Visit nrsforu.com

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