

Catch-up Provisions

Opportunities to  
accelerate your savings.



**Nationwide**<sup>®</sup>  
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.

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

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<sup>1</sup>The 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.

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On average, a pension provides about  $\frac{1}{2}$  of current income after 25 years of service<sup>2</sup>

UP TO  
90%

Most experts suggest you will need 70%–90% of current income to maintain your standard of living<sup>2</sup>

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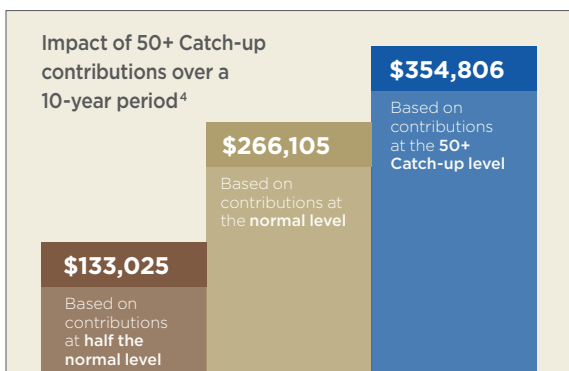
At an average annual inflation rate of 4%, in 20 years you'll need \$10,000 to buy what \$5,000 buys now<sup>3</sup>

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

<sup>3</sup>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.

<sup>4</sup> 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 <sup>5</sup>	
Normal Deferral	\$ 18,000
Age 50+ Catch-up Limit	\$ 6,000
<b>Total Maximum Deferral</b>	<b>\$24,000</b>

To defer the maximum amount of \$24,000, you would need to contribute:

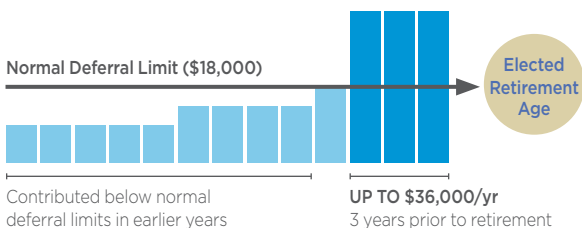
Pay Frequency	Contribution
Weekly (52 pays)	\$ 461
Bi-weekly (26 pays)	\$ 923
Semi-monthly (24 pays)	\$1,000
Monthly (12 pays)	\$2,000

<sup>5</sup> IRS Announces 2016 Pension Plan Limitations, Internal Revenue Service, IR-2015-118 (Oct. 21, 2015).

## Take advantage of Special 457 Catch-up.

If you're within three years of your designated retirement age<sup>6</sup> and did not contribute up to the normal maximum allowable deferral in the past, you may be eligible for Special 457 Catch-up.

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



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

<sup>6</sup>You 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.

# It's time to play catch-up.

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

A Nationwide Retirement Specialist can help you determine your eligibility for catch-up provisions, calculate the additional amount you may be able to defer and help with required paperwork.

To learn more:

- Talk with your local Nationwide Retirement Specialist or call **1-855-463-4977**
- Visit [nrsforu.com](http://nrsforu.com)





## **IN THE NATION, WE PUT YOU FIRST.**

You're a valued member of a community that genuinely cares about putting you first — because what matters to us is where you want to go, and how you're going to get there.







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