RETIREMENT SERVICES

401(k) Eligible Employees

11 Steps to Smart Retirement Saving

Whether your retirement is 40 years away or on the horizon, it is important to take stock of your savings situation and take charge. Experts estimate that many Americans will spend nearly one third of their lives in retirement. To make sure that your retirement is what it's meant to be, start planning now!

1.Take Control

Only you can ensure that you'll have enough money saved for your retirement. Your best bet for taking control could include your 401(k) plan.

2. Know What You'll Need

Experts estimate that you'll need at least 70% of your pre-retirement income to maintain the same standard of living once you stop working.

3. Start Now

Time is on your side. The sooner you start, the longer your money has to grow. It's never too early to start saving for a secure retirement. Even small percentages of your income can grow over time.

4. Participate in a Tax Advantaged Account

A 401(k) plan is convenient, easy to use and is among the best retirement savings deals out there. Your contributions are made pre-tax and your investments grow tax deferred.

5. Invest Pre-Tax

Saving pre-tax gives you more money to invest. Because taxes take a large bite out of each dollar you earn, you have to save more after-tax dollars to get the same impact as pre-tax saving. PLUS, saving pre-tax lowers your taxable income, which means that you'll pay less to the IRS on April 15th. For example, if you defer $1 into your 401(k), your take-home pay is reduced between $.65 to $.85, depending on your tax bracket. So, saving $1 could cost you as little as $.65.

6. Consider The Roth 401(k) Option

Saving in a Roth 401(k) is a way to reduce taxes in the future. Because you don't deduct your Roth 401(k) contribution right now, the IRS gives you tax free withdrawals of all qualified distributions in retirement. This can mean a lot of money in earnings that avoid taxes altogether.

7. Receive Matching Contributions

The more money you put in a 401(k) plan (maximum contribution for 2015 is $18,000, age 50 or older is $24,000), the more you'll get out – especially if your employer has a matching contribution option.

8. Pay Yourself First

Out of sight, out of mind. You may not miss the money you're saving if it's deposited straight into your 401(k) plan or other retirement account.

9. Keep Your Hands Off

Don't touch your retirement savings. You'll not only avoid tax penalties for using the money early, you'll also give your investments more time to grow.

10. Look Long-Term

Look for investments that could beat inflation over the long haul.

11. Be Flexible

As the years go by, life changes. So should your retirement savings strategy. Review it annually to ensure it still meets your needs as retirement approaches.

Oppenheimer & Co. Inc.
85 Broad Street
New York, NY 10004
800-620-OPCO • 212-668-8000
www.opco.com

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