



National Plus Plan

INVESTING FOR A BRIGHTER FUTURE

Retirement Planning Newsletter

For participants of the National Plus Plan

April - 2022



Spring Forward to Retirement

Tips on improving retirement security

After a long cold winter, Daylight Savings Time signifies the unofficial start to Spring. The notion of longer days and milder temperatures is a welcomed thought as we enter March and April.

However by setting our clocks forward one hour, we lose an hour of time. Time lost is one of the opponents of retirement planning, but it doesn't have to be if you play it smart. The difference between retirement success and retirement setback results from a combination of time, dollars and the application of a few basic concepts.



The sooner you start saving, the more time your savings have to potentially grow. According to retirement studies, those who increase their savings each year to about 15% of income by the time they are in their 40's and 50's may improve their prospects for a secure retirement.

Still, the idea that many people have of retiring at 62 and walking on the beach is not realistic. In 2020, the typical household approaching retirement had saved only \$111,000, an amount that is able to produce \$400 a month in income, according to the Center for Retirement Research (1).

Put time on your side

Save more in your 401(k) – If you are due for a raise of 2% to 4%, consider increasing your 401(k) deferrals by 1%, which you probably won't even feel in your pocket. Adding an additional 1% a year to your 401(k) plan (up to the plan limit) could result in having as much as 28% more to spend in retirement, depending on your income (2).

continued on page 2

Save More In Your 401(k)

Having Goals is at
the heart of financial
planning

Do you know why you are saving? Without a goal in mind, or a game plan for getting there, you may not reach your target. This quarter, take time to review your goals. For example, have you calculated how much you'll need to save for retirement?

Is this goal realistic given your present level of savings, time horizon and level of comfort taking risk? Savings is a great habit, but only if you've taken the first step of setting a financial objective to work toward.

Sources: (1) Alicia Munnell, Charles Ellis and Andrew Eschtruth, "Falling Short: The Coming Retirement Crisis and What to Do About It," Center for Retirement Research at Boston College, December 2020. (2) Jack VanDerhei, "The Pension Protection Act and 401(k)s," *The Wall Street Journal* - Employee Benefit Research Institute, 2018.

Spring-clean your finances: 10 tips to boost savings

Find items in your budget that you might be able to live without

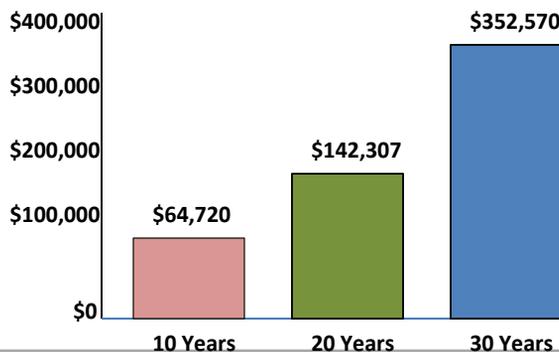
Here are 10 quick and easy ideas for generating an extra \$250 a month that could be redirected to your retirement savings through the National Plus Plan.

Necessity or Luxury?

Savings Idea	Minimum Monthly Savings
1. Cut out the morning coffee run	\$35
2. Drop Premium Cable Subscription – Consider removing movie channels or premium cable services	\$20
3. Cut back to dining out only once a month	\$80
4. Borrow movies from your local public library instead of online or store rental fees	\$10
5. Make a list before going food shopping and stick to it instead of impulse purchases	\$20
6. Invite friends over for a potluck dinner and board games, rather than going out	\$25
7. Properly inflate your car's tires and clean the air filter (savings depends on driving distance)	\$10
8. Pack leftovers for lunch instead of buying a sandwich from the cafeteria a few times a week	\$20
9. Instead of trips to the mall, check out your towns recreational and community events	\$20
10. Buy staples in bulk, such as trash bags, laundry detergent, paper products etc.	\$10
TOTAL MONTHLY SAVINGS	\$250

HOW SAVINGS ADD UP OVER TIME

\$250 invested each month with a 6% return would be worth ...



Scenario assumes a monthly investment of \$250 earning an annual return of 6% (compounded monthly) in a tax-deferred account. It is neither based on any specific investment or savings strategy, nor predictive of returns, which are not guaranteed. Most 401(k) investments move up and down with the market over time, producing better or worse actual returns for you. Savings totals do not reflect any fees/expenses. Accumulations shown would be reduced if these fees had been deducted. Source: Bankrate.com

National Plus Plan Contact Information

For information about investing in the National Plus Plan and the funds offered, contact J.W. Thompson Investments toll free at: **1-800-929-9479**

For information about the administration of the National Plus Plan, contact the Pension Office toll free at: **1-800-452-4155**

Information about the National Plus Plan is also available on the internet at: www.NationalPlusPlan.com

Para informacion sobre el Plan Nacional Mas en espanol, contacte a la oficina del Plan de Pension al **1-800-452-4155**