

457(b) Deferred
compensation plan

Strategies that can help
secure your future



Nationwide[®]
is on your side

What is a 457(b) plan?

A 457(b) deferred compensation plan is a retirement plan that allows public employees like you to set aside money for retirement from every paycheck.

Benefits include:

- **Can help bridge the gap** between your pension and Social Security, and the income you'll need in retirement
- **Contributions and potential earnings are tax-deferred**
- **Designed for long-term investing**

52% of households are “at risk” of not having enough to maintain their living standards in retirement.¹

¹Source: National Retirement Risk Index (2014). Includes health and long-term care costs.

Why contribute to deferred compensation?

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

\$\$\$

At an average annual inflation rate of 3.22%, **in 20 years you'll need \$10,000 to buy what \$5,000 buys now**³

The deferred compensation plan also takes into account that you may retire sooner than workers in other sectors, so if you retire before age 59½, there are no additional 10% early withdrawal taxes to pay.

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

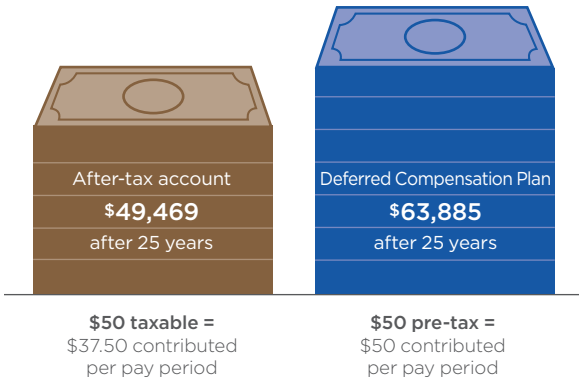
³Long Term U.S. Inflation https://inflationdata.com/Inflation/Inflation_Rate/Long_Term_Inflation.asp, accessed 6/26/17

Benefits of a tax-deferred plan

A deferred compensation plan helps you invest more because contributions are pre-tax. Generally, your taxable income is reduced by the amount you defer.

Your investments also potentially grow tax-deferred, meaning you don't pay taxes until you start to make withdrawals, typically in retirement.

Pre-tax deferrals help you save more



This hypothetical illustration assumes a 25% tax rate, \$50 biweekly deferrals (for 25 years), and a 7% rate of return with reinvestment of income. Totals shown are after-tax lump sums. The tax-deferred total does not reflect fees and expenses incurred under a particular investment, which would reduce the performance shown. This information is not intended to predict or project results of any investment. Investment return is not guaranteed and will vary.

A deferred compensation plan gives you options

A deferred compensation plan is flexible by design, making participating easy:

- ✓ **You decide how much to contribute** and where to invest
- ✓ **Contributions are deducted automatically**
- ✓ **Many people increase contributions** annually or after receiving a raise
- ✓ **Other retirement assets can be consolidated** into your plan
- ✓ **Special catch-up provisions** allow people age 50 and over to save even more

How much should you contribute?

How much you save depends on your financial goals, estimated expenses and desired lifestyle in retirement. You'll also want to consider:

- **Inflation**
- **Rising health care costs**
- **Longer life expectancy**

The IRS sets limits on how much you can contribute every year. You'll find information on current guidelines in the Library at **nrsforu.com**.

Set goals, track progress and find ways to improve your retirement using My Interactive Retirement PlannerSM at **nrsforu.com**.

It only takes a few minutes to enroll.

The more time your money is invested, the more time it has to grow. So it can be smart to start investing in the deferred compensation plan now.



To enroll or learn more:

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

Information provided by representatives is for educational purposes only and is not intended as investment advice. Federal income tax laws are complex and subject to change. The information in this brochure is based on current interpretations of the law and is not guaranteed. Neither Nationwide nor its representatives give legal or tax advice. Please consult your attorney or tax advisor for answers to specific questions.

Plan representatives are registered representatives of Nationwide Investment Services Corporation, member FINRA.

Nationwide Retirement Solutions, Inc. and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties and the International Association of Fire Fighters-Financial Corporation. More information about the endorsement relationships may be found online at www.nrsforu.com.

Nationwide, the Nationwide N and Eagle, Nationwide is on your side and My Interactive Retirement Planner are service marks of Nationwide Mutual Insurance Company. © 2017 Nationwide

NRM-5070AO.10 (06/17)



Nationwide®