



# *Your* retirement plan: one great benefit, lots of advantages

Your retirement plan can be a great way to help you build your financial future. Be sure you're not missing out on the many ways you can benefit.



## **Tax savings now**

When your contributions are taken out of your paycheck before federal income taxes, you may be able to lower your taxable income and find yourself in a lower tax bracket.

## **Tax savings later**

Your retirement plan savings grow tax deferred, so your money and any earnings aren't taxed until withdrawal, ideally at retirement, when your tax rate may be lower.



## **Flexibility**

You contribute as much as you want (subject to plan and IRS limits) to your plan. Plus, you have the flexibility to change your contribution rate at any time (subject to plan limits).

## **It's yours!**

Even if you change jobs, your contributions and earnings belong to you. You'll typically have several distribution options to help you keep your savings invested and growing on a tax-deferred basis.<sup>1</sup>

<sup>1</sup> Certain restrictions and conditions may apply. When withdrawing money from your plan, carefully consider the options available to you, including rolling your money over to another qualified account, to avoid potential tax penalties.



## **Move a step closer to reaching your retirement dreams.**

Join your Puget Sound  
Electrical Workers 401(k)  
Savings Plan today and take  
advantage of all the benefits  
that can help you build your  
financial future!

Contact your employer to sign  
up.

## Power of compounding

Compounding is the growth on your original contributions and the earnings. With time on your side, compounding can go a long way toward giving your savings an opportunity to keep growing.



### Start early and build your savings over time

When you save through your retirement plan, your deposits generate earnings. Those earnings are reinvested and generate their own earnings. The earlier you start saving, the more powerful the effect of compounding can be. Start small and incrementally increase your contributions to help meet your savings need. See below how putting away \$200 each month in your retirement plan (\$50 each week) can grow quickly and over time.

**\$72,000 + \$128,903 → \$200,903**

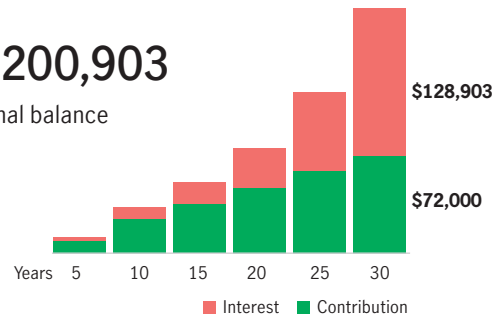
Total deposits

Total interest

Final balance

(Principal + contributions)

This chart is for illustration purposes only, and assumes a \$0 starting balance, \$200 per month in contributions, and a 6% annual rate of return.



There is no guarantee that the results shown will be achieved or maintained over any time period. This example assumes no withdrawals, does not take into account fees associated with investing which, if included, would reduce the account balance, and assumes reinvestment of earnings. Taxes are due at withdrawal.

## Convenience

Your contributions are deducted from your paycheck automatically, so the money you're saving goes right from your paycheck to your plan account. And with regular contributions, your savings have a chance to add up.

## Staying connected

Once you've joined your retirement plan, it's easy to stay connected by registering your account and adding your email address. Online account registration:



Adds another layer of security to your account by providing timely transaction confirmations and activity updates



Keeps you informed about new tools and resources that can help you build your retirement strategy and make progress toward meeting your goals



The content of this document is for general information only and is believed to be accurate and reliable as of the posting date, but may be subject to change. It is not intended to provide investment, tax, or legal advice (unless otherwise indicated). Please consult your own independent advisor as to any investment, tax, or legal statements made herein.

John Hancock Retirement Plan Services, LLC, 200 Berkeley Street, Boston, MA 02116

NOT FDIC INSURED. MAY LOSE VALUE. NOT BANK GUARANTEED.

© 2020 John Hancock. All rights reserved.

MGS-P42493 GE 07/20 42493

MGR022120509960 | 20513