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January 2016



# Increase Your Contributions

The Christian and Missionary Alliance Retirement Plan

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# How much should you save?

- It can be overwhelming and frustrating.
- Here are a few simple *rules of thumb*:
  - Try to save 15% of your pretax income.<sup>1</sup>
    - 15% may be ideal for a younger person looking to start saving
    - If you have to make up for lost time, you may need to save more.
- The important thing is to start saving as much as you can right now!



<sup>1</sup> Source: [http://crr.bc.edu/wp-content/uploads/2014/07/IB\\_14-11.pdf](http://crr.bc.edu/wp-content/uploads/2014/07/IB_14-11.pdf), July 2014

# Amount you need to accumulate for retirement

To Receive This Monthly Income*:		\$2,000	\$2,500	\$3,000	\$4,000
Age at retirement	Life expectancy	You would need to accumulate this much by retirement:			
60	25 years	\$310,414	\$388,017	\$465,621	\$620,827
65	20 years	\$279,162	\$348,952	\$418,742	\$558,323
67	18 years	\$263,796	\$329,745	\$395,694	\$527,592
70	15 years	\$237,007	\$296,259	\$355,511	\$474,014

\* Based on life expectancy at age of retirement.

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration does not represent the performance of any investment options. It assumes a 6% annual rate of return on the accumulated account value with no additional contributions during retirement. This illustration does not reflect any charges, expenses or fees that may be associated with your plan. This illustration does not account for federal, state, Medicare, Social Security or other taxes. The tax-deferred accumulations shown above would be reduced if these fees had been deducted. Income taxes are due upon withdrawal. Rates of return may vary.

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# Where will the money come from?

## Budgeting ideas:

- Skip menu beverages at restaurants.
- Brown-bag your lunch a couple days a week.
- Make coffee at home instead of buying it from a coffee shop.
- Shop for groceries with coupons and a list.
- Look into refinancing your mortgage at a lower interest rate.<sup>1</sup>
- Consolidate credit card debt at the lowest available rate.<sup>1</sup>
- Shop for less expensive homeowner's and car insurance.

<sup>1</sup> If applicable and appropriate for your unique situation.



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# Where will the money come from?

Raise

Make Your Extra Money Work for You

	Before Raise	After Raise
Gross Pay	\$2,500	\$2,500
Raise		\$100
Minus Contributions to Plan (Before Tax)	-\$100	-\$150
Taxable Pay	\$2,400	\$2,450
Minus Estimated Tax Withheld	\$360	\$367.50
Spendable Pay	\$2,040	\$2,082.50

It's a win-win: You're getting more than \$40 more pay per month and you're contributing \$50 more a month, which you haven't seen yet, for retirement!

FOR ILLUSTRATIVE PURPOSES ONLY. Assumes federal income tax withholding of 15% and does not account for local, state, Social Security or Medicare taxes.

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# Get started today!

Start with an amount you can afford.

Increase your contribution every year.

Think long term.

Build a nest egg for yourself.



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## 2016 limits

- In case you want to save more, the contribution limit for 2016 is \$18,000.



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# Catch-Up contributions

- Age 50+ Catch-Up:
  - Contribute an additional \$6,000 in 2016.
- 15 Years of Service Catch-Up:
  - Contribute an additional \$3,000 in 2016.
  - Lifetime contribution limit is \$15,000.





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# How to increase your contributions

- Paper
- Contact



1 Access to the voice response system and/or any website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

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# Questions?

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January 2016



# Budgeting:

Helping You Reach Your Goals,  
Helping You Achieve Your Dreams

The Christian and Missionary Alliance Retirement Plan

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# What is a budget?

- It helps to ensure that the money spent doesn't exceed money earned
- Your budget is a plan
  - A savings plan
  - A retirement plan
  - An investment plan
  - A spending plan
- It's more than just “cutting up the pie”
  - Increase predictability
  - Maximize your financial worth
  - Manage surprises when they happen
  - Improve your standing with lenders

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# Evaluate your income

- Wages/salary
- Income from self-employment
- Interest and dividends
- Alimony or child support



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# Expenses

- Fixed expenses are expenses set in stone

*For example:*

- Taxes
- Housing
- Insurance
- Automobiles
- Child care



- Variable expenses are expenses that change

*For example:*

- Food
- Clothing
- Furniture, appliances
- Gas, oil
- Entertainment
- Medical care

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# Track your spending

- Maintain a spending log for at least two months
  - Save receipts
  - Note cash expenditures
  - Record all checks and debit card transactions





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# Evaluate your spending

- Prioritize and categorize your expenses

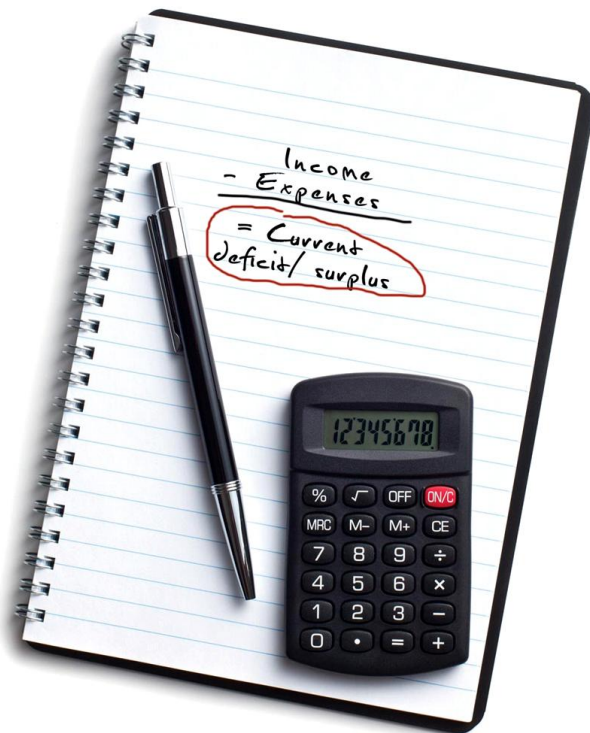
- Which are unavoidable?
- Which are luxuries?
- Which are long-term and/or short-term?

- Make spending adjustments

- Which expenses can you eliminate?
- Which expenses can you decrease?



# Do the math



- Compare your income vs. your expenses
  - Surplus?
  - Deficit?
  - Both require budgets

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# Set goals

- Short term
  - Within one year
- Intermediate
  - Within five years
- Long term
  - Five to 10 years and beyond



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# Determine the financial impact of your goals

- Are your goals in sync with your income?
- Which goals will require the most money?
- When will you need the money?
- Which goals are most important to you?



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# Take action to help achieve the goal

- Brown-bag your lunch a few days a week
- Shop for groceries with coupons and a list
- Skip menu beverages at restaurants; order water instead
- See an afternoon matinee instead of an evening movie
- Leave the ATM card at home
- Carpool to work
- Pay down credit cards
- Pay down loans—pay more than the monthly minimum to reduce the principal
- Don't skimp on your personal savings account

If applicable and appropriate for your unique situation.

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# Ongoing budget maintenance

- Review budget monthly
- Compare actual expenses vs. budgeted amounts
- Evaluate often
- Make changes where you need improvements



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## Additional resources\*



- “The Nine Steps to Financial Freedom”  
by Suze Orman
- “Personal Finance for Dummies”  
by Eric Tyson
- “Two Incomes and Still Broke?”  
by Linda Kelley
- [www.mint.com](http://www.mint.com)
- If you are having trouble with your budgeting,  
consider making an appointment with a credit  
counselor

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# Questions?