

Participant Insight



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A Few Common Retirement Myths and Realities

I am young and can wait to start saving for retirement. I can depend on Social Security for most of my retirement income. I won't need much money in retirement. Those are three common retirement myths. Let's look at each one -- and see what reality looks like too.

I am young and can wait to start saving for retirement.

While it's true that you have more time to save when you're young, waiting to save isn't always the smart thing to do. In fact, as you can see here in the hypothetical chart on the next page, the earlier you start saving, the less money

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Providing participants with educational materials to assist them in planning, saving and investing to help them meet their retirement goals.

you might need to put away in order to get the same total value in the end. A 25-year-old who starts saving \$189 per month will make a total contribution of only 90,905 in order to get \$500,000 by age 65. But a 40-year-old would have to save \$614 a month – for a total of \$184,090 in savings to get to \$500,000 at age 65. That’s because when you’re younger, your investment has more years to grow and compound. Compounding just

means that the interest you earn has time to earn interest of its own reinvested. This is one way that can help your investment grow faster.

I can depend on Social Security for most of my retirement income.

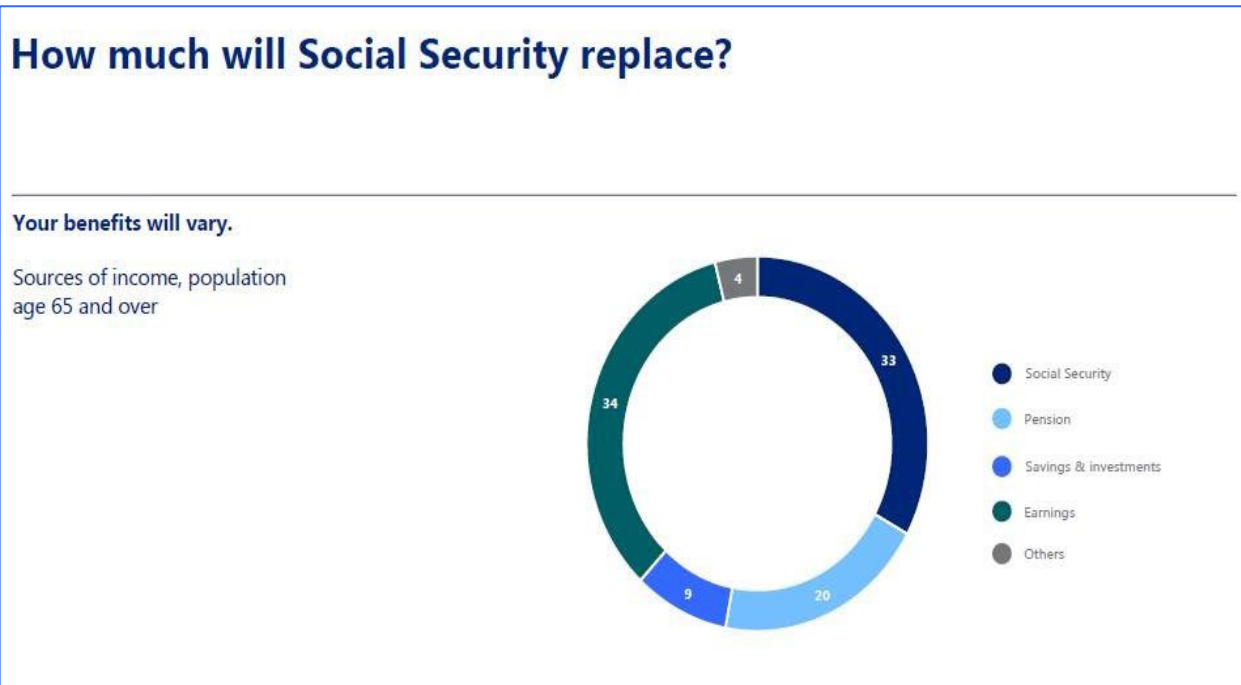
The truth is, Social Security probably won’t cover more than about a

third of your expenses in retirement. This chart shows the different sources of retirement income for those age 65 and over. You’ll notice that Social Security contributes 35.4%, while the rest of retirees’ income typically comes from other sources.

Reality: The sooner you invest, the less you’ll have to save.
The power of time and compounding

Hypothetical Example					
Age	Years Until 65	Monthly Contribution	Total Contribution	Growth*	Total Value
25	40	\$189	\$90,905	\$409,905	\$500,000
30	35	\$276	\$115,920	\$384,070	\$500,000
35	30	\$407	\$146,689	\$353,311	\$500,000
40	25	\$614	\$184,090	\$315,311	\$500,000
45	20	\$954	\$229,023	\$270,977	\$500,000
50	15	\$1,568	\$282,299	\$217,701	\$500,000

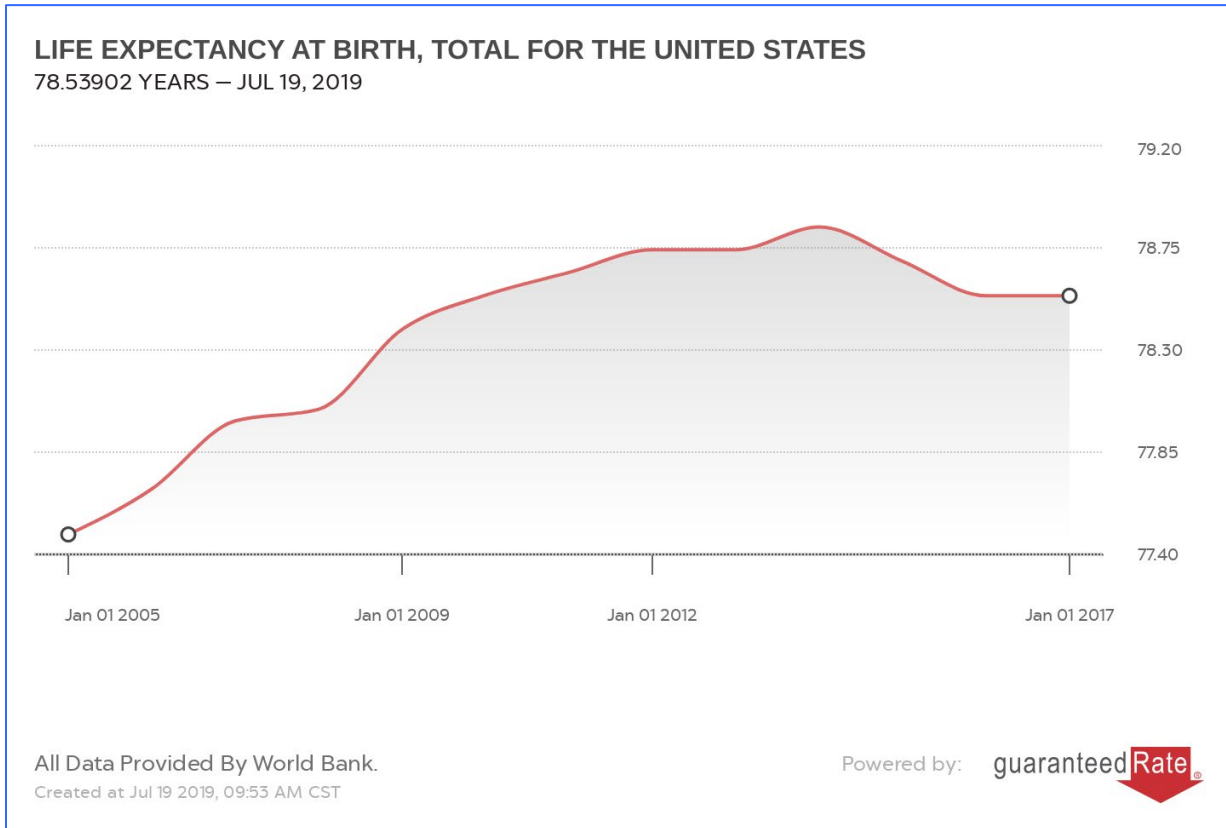
*Chart assumes 7% growth for illustrative purposes. These figures are not intended to indicate the performance of any specific investments. Taxes and fees were not taken into consideration



Source: Fast Facts & Figures about Social Security, 2017, Social Security Administration

I won't need much money in retirement

In truth, you may need more money than you think, simply because you may live longer than you expect. According to the table provided below, American males born today have an average life expectancy of 76 years and females 81 years. That means that half of males born today will still be alive at age 76 and half of the females will still be alive at 81. That could make for a very long retirement. Have you planned for a 20 to 30-year retirement?



Believing these three common retirement myths could keep you from living out your retirement dreams. The best way to prepare for retirement is through planning, saving and investing. The program website has educational tools and materials designed to assist you in meeting your retirement goals.

Finding your target retirement date

Retirement planning may be as easy as asking yourself, "When do I plan to retire?"

If you decide that utilizing target date funds is the strategy that meets your retirement goals, select the 1290 Retirement Fund that lines up with your retirement date, and the investment managers take it from there. Retirement planning may be more straightforward than you think, especially if you select one of the nine 1290 Retirement Funds managed by Equitable Investment Management Group. Each fund comes with a specific retirement target date and is

guided by a strategic risk-management discipline that automatically shifts its allocation to anticipate the investor’s risk tolerance at different stages of life. This shift is often called a “glide path” and means that, with investments that adjust over time, you’ll have an age-appropriate balance between capital growth (equity investments, such as stocks) and capital preservation (fixed-income investments, such as bonds) as you approach and enter retirement.

You make one decision. It’s that simple.

With a 1290 Retirement Fund, you simply choose the fund that best corresponds to your expected retirement date. If you’re planning to retire in 2030 at age 65, might consider selecting the 1290 Retirement Fund 2030. After that, the risk-management discipline takes over. That can help simplify your investing — all the way to retirement and beyond.

Check out the program website for more details on the 1290 Retirement Date funds including how the glide path works, target allocations for each of the Retirement Funds, fund holdings and performance.



Statements & Transactions

One of the features on the participant website which you may find helpful in monitoring your retirement account and adjusting your savings strategy, if necessary, is the Statements and Transactions tab.

On this tab you can find at least the last four quarterly statements and using the Show Filter feature you can view a summary of activity over the last 30 days, quarter, year, or custom period so you can track the activity in your account. You can also download or get a printout of the transactions in the requested period.

Plan Name: TEST PLAN \$69,342.63 As of 06/28/2021 [Print](#)

SUMMARY MY PORTFOLIO LOANS STATEMENTS & TRANSACTIONS PLAN INFORMATION UNIT VALUES RESEARCH INVESTMENTS

Statements & Transactions [VIEW STATEMENT](#) [+ Show Filter](#)

Summary Last 30 Days

Beginning Balance	\$69,223.36	Beginning Balance:	\$69,223.36 <small>as of 05/30/2021</small>
Contributions	\$747.46	Ending Balance:	\$69,342.63 <small>as of 06/28/2021</small>
Employee	\$747.46	Net Change:	\$119.27
Employer	\$0.00		
Distributions & Loans	\$0.00		
Loan Repayments	\$0.00		
Fees & Expenses	\$0.00		
Other	\$0.00		
Gain/Loss	-\$628.19		
Ending Balance	\$69,342.63		
Net Change	\$119.27		

Transactions Last 30 Days [Download History](#) [Print Table](#)

Number	Description	Type	Trade Date	Processed Date	Amount	Status
6675819	ACH Contribution	Contributions	06/17/2021	06/17/2021	\$376.63	Confirmed
6977469	ACH Contribution	Contributions	06/04/2021	06/04/2021	\$370.83	Confirmed

Transactions Last 30 Days

Participant:
Plan:
Plan ID:
Plan Type: 401K

Number	Description	Type	Trade Date	Processed Date	Amount	Status
6675819	ACH Contribution	Contributions	06/17/2021	06/17/2021	\$376.63	Confirmed
6977469	ACH Contribution	Contributions	06/04/2021	06/04/2021	\$370.83	Confirmed



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