

457 Deferred Compensation Plan

Strategies to help
secure your future.



Nationwide[®]
is on your side

What is a 457 plan?

A 457 deferred compensation plan (deferred comp) 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**

65% of households are “at risk” of not having enough to maintain their living standards in retirement.¹

¹Source: National Retirement Risk Index (2010). Includes health and long-term care costs.

Why invest in deferred comp?

For most Americans, pension and Social Security benefits will not provide enough retirement income.

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On average, **a pension provides about ½ 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

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At an average annual inflation rate of 4%, **in 20 years you'll need \$10,000 to buy what \$5,000 buys now**³

Deferred comp also takes into account that you may retire sooner than workers in other sectors, so if you retire before age 59½, there are no penalties to pay.

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

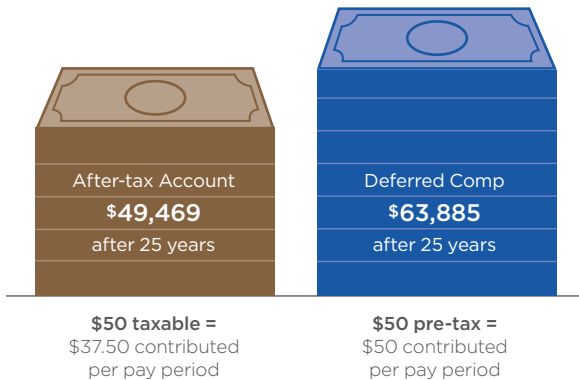
³*How Prepared are State and Local Workers for Retirement?*, Center for Retirement Research at Boston College (October 2011).

Benefits of a tax-deferred plan.

Deferred comp helps you invest more because contributions are pre-tax. 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.

Deferred comp gives you options.

Deferred comp 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 put into deferred comp?

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 to deferred comp 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 the *On Your Side* 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's smart to start investing in deferred comp now.

To enroll or learn more:

- Contact or call a Nationwide Retirement Specialist at 1-855-463-4977
- Visit [NRSforU.com](https://www.NRSforU.com)



Why Nationwide?

Nationwide is a Fortune 100 company with more than 40 years of experience in helping public sector employees prepare for and live in retirement.

As a participant in a Nationwide plan, you're a valued member of the community that genuinely cares about helping you reach your personal financial goals. We are committed to putting you first — because what matters to us is where you want to go, and how you're going to get there.

In the Nation, we put you first.



Notes

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