

Retirement Reimagined® | 2020

Your Retirement:

DISCOVER

TOMORROW'S

NEEDS TODAY



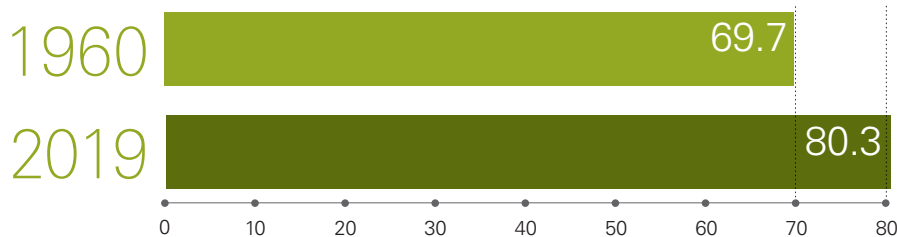
A comprehensive plan to
build the retirement lifestyle
you have envisioned for
yourself and your family

HOW WILL I PAY FOR MY RETIREMENT?

Setting aside the money you will need to provide for you and your family in retirement isn't easy. Many people underestimate how much it will actually cost down the road to live the way they want.

We're living longer, so retirement lasts longer

Average life expectancy in the U.S. (total population)¹:

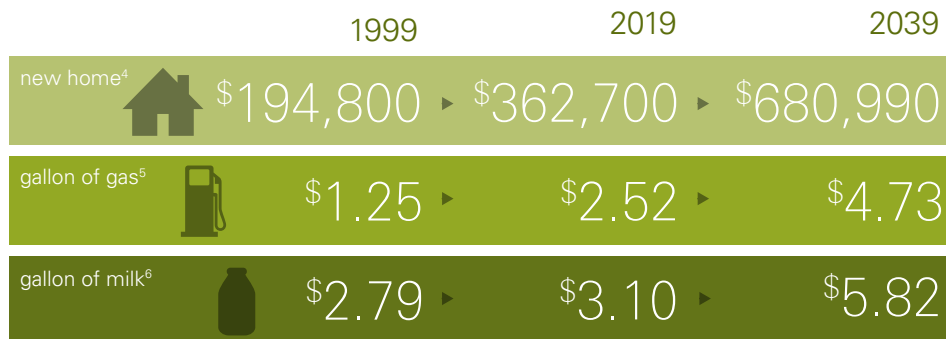


Social Security benefits may not be enough



Inflation reduces your purchasing power

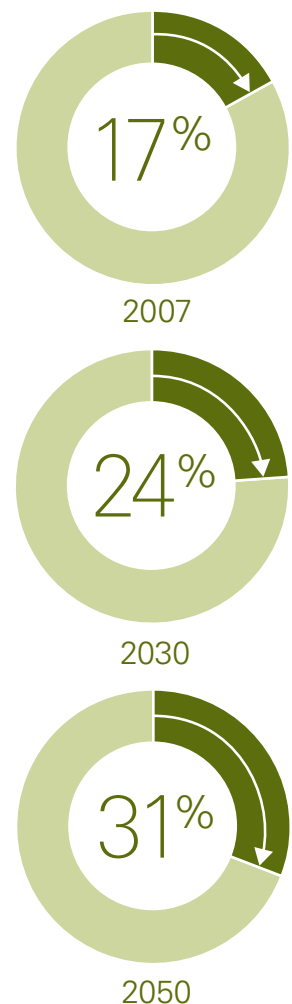
A dollar today will almost certainly be worth less at retirement because of inflation.



The effect of inflation on everyday costs (assuming 3.2% annual rate of inflation)

Health care costs continue to rise²

As spending on health care rises, seniors will be asked to devote an increasing share of their own incomes to pay for these expenses. Percentage of income spent on health care by seniors:



¹ www.cia.gov

² Liqun Liu, Andrew J. Rettenmaier and Zijun Wang, "The Rising Burden of Health Spending on Seniors," National Center for Policy Analysis, NCPA Policy Report No. 297, February 2007

³ Social Security Administration, Monthly Statistical Snapshot, December 2019, www.ssa.gov/policy/docs/quickfacts/stat_snapshot

⁴ Median and Average Sale Prices of New Homes Sold in United States (September average), https://www.census.gov/

⁵ The U.S. Energy Information Administration Regular Conventional Retail Gasoline Prices (First week of September average), www.eia.gov

⁶ U.S. Bureau of Labor Statistics, Consumer Price Index, Average Price Data as of September 2019 (U.S. cities, September average, whole milk), https://data.bls.gov

INVESTIGATE THE OPTIONS

Investing for retirement is up to you. It is important to maximize your retirement and personal investments to help ensure you enjoy the lifestyle during retirement that you envision.



Leverage the power of tax deferral

There are a number of ways to help you achieve the goals you have for retirement.

Traditional Individual Retirement Accounts (IRAs)

A **Traditional Individual Retirement Account (IRA)** offers the benefits of tax deferral. With an IRA, any earnings grow on a tax-deferred basis, meaning that you do not have to pay taxes on the earnings until you make withdrawals.⁷ This provision allows the account's growth potential to increase, which could conceivably generate a greater overall return. Contributions to a Traditional IRA may be tax-deductible, depending on your income and whether you and your spouse are covered by a retirement plan at work.

Roth Individual Retirement Accounts (Roth IRAs)

A **Roth Individual Retirement Account (Roth IRA)** is an alternative to a Traditional IRA for taxpayers whose income falls beneath certain limits. Roth IRA contributions are not tax-deductible, but distributions in retirement from a Roth IRA are generally tax-free.

Create an investment strategy



Determine how much you will need

Give careful consideration not only to everyday expenses but also to health care expenses.



Review your budget

By reviewing your budget, you can determine how you can best save for retirement.



Start investing now

The sooner you get started with investing for retirement, the better.

The power of time: The high cost of procrastination⁸

Two hypothetical investors making a \$500 monthly contribution that grows at 7% annually.

Starting investing at age ... Invested regularly for ... Amount at age 65 ...

Investor



1 35 years old ▶ 30 years ▶ \$566,764

Investor



2 45 years old ▶ 20 years ▶ \$245,972

Work with a trusted financial professional

A trusted financial professional



A **trusted financial professional** can work with you to identify your goals, needs and aspirations and help you create a comprehensive retirement savings strategy designed to help you meet your objectives.

⁷ The earnings and deductible contribution portions of IRA distributions from a Traditional IRA are subject to federal income tax. Please note that if account proceeds are distributed prior to age 59½, earnings may be subject to an additional 10% federal tax.

⁸ Source: Legg Mason. This illustration assumes a \$500 monthly contribution that grows (earns interest) at 7% annually. The contribution amount has been calculated to contribute the maximum annual amount of 6,000 for 2019 into a traditional IRA. This chart is for illustrative purposes only and does not represent an actual investment or the performance of any specific investment. Actual investments may include fees, charges and other expenses that would affect an investment's return. The earnings and deductible contribution portions of IRA distributions from a Traditional IRA are subject to federal income tax. Distributions prior to age 59½ may be subject to an additional 10% federal tax.

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 - We offer an unmatched range of specialist investment managers, consisting of more than 1,300 investment professionals
 - Over 70 years of experience in identifying opportunities and delivering investment solutions to clients.
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