

Your RETIREMENT Matters



Spring 2012

We want you to have the information you need to achieve your retirement savings goals. This is why we provide you with account statements and other details about your retirement plan. The more you know, the better you can prepare for your future.

Your Plan Communicates with You

Account Statements

You already receive a regular plan statement if you participate in the plan. This statement includes information such as your account balance as of the statement date, contribution amounts during the statement period, and investment performance. It's important to review your statement to make sure it's accurate. You'll also want to check to see if you're on track toward achieving your goals. If you don't think you're making enough progress, you may want to consider increasing your plan contribution or adjusting your investment mix.



Summary Plan Description

You also received a summary plan description (SPD) when you joined the plan. The SPD includes information on participation rules, how services and benefits are calculated, when benefits become vested, when and how benefits are paid, and how to file a claim for benefits. If the plan changes at any point, we'll let you know about the revisions.

Fee Disclosure

Be on the lookout for a new communication regarding plan fees, expenses, and investments. You aren't being charged *new* fees. There always have been costs associated with participation in a retirement plan, including yours. This communication will provide a clearer picture of the different fees and expenses your plan charges. Over time, these costs can have an impact on your investment returns and account balance. Understanding fees and expenses will help you make informed decisions about your plan account.





Retirement for Two

You and your spouse are a team when it comes to managing your home and planning for your future. But are you in sync when it comes to investing for retirement? If you both have retirement plans through your employers, you might have chosen investments without consulting each other. Combined, your retirement plan investments might not reflect your intended investment strategy.

Two People, One Goal

It's important that both your and your spouse's retirement investments fit your risk tolerance, investing time frame, and goals. So, if you're not sure what's in your spouse's portfolio, it's time to find out. Otherwise, you could easily be duplicating investments in the same companies or industries. Or, you could be "overinvested" in one investment

type or asset class. As a result, your combined retirement investments could be exposed to more risk than you realize or may be so conservative that you might not be able to achieve your retirement savings goal.

A Married Strategy

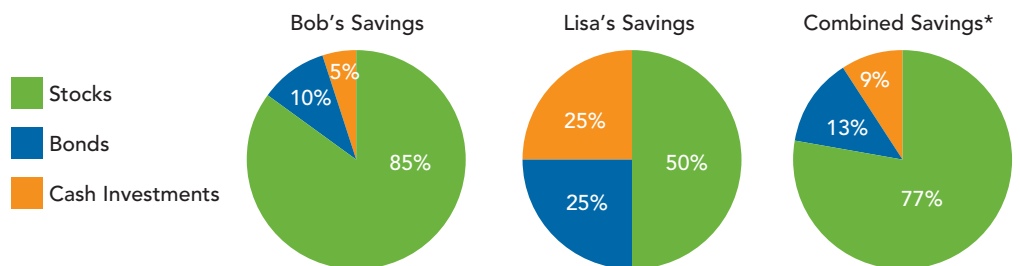
First, you and your spouse may want to determine an overall strategy for your retirement investments. As an initial step, you should each consider how comfortable you are with the risk of investment losses. Look at the number of years you have before you plan to retire, and discuss your plans for retirement, such as traveling or relocating. Set a savings goal and coordinate an asset allocation strategy to help you get to your goal.

Next, take a look at the specific investment options available in your retirement



An Unintended Allocation

Bob and Lisa haven't talked to each other about their retirement plan allocations and, as a result, combined, they have different allocations than they each have in their accounts. Bob and Lisa can reallocate within one or both plans to achieve a coordinated strategy.



* Allocation percentages don't add up to 100 due to rounding.

This is a hypothetical example used for illustrative purposes only and does not represent any specific investment product.

Source: NPI

Know Your Income Needs

Do you know how much income you're going to need during your retirement? Depending on your lifestyle, you might need from 70% to 90%* of your preretirement income — or possibly even more. And since you could be retired for 20 or more years, you'll probably need to build significant savings in your plan account to provide your income during retirement.

After you estimate how much income you'll need, you'll be ready to set a retirement savings goal. Are you on track to meet your goal? If not, consider increasing the amount you contribute to your plan. Setting aside even a little bit more can boost your savings over time.

Another strategy to get your savings on track is to make sure you're putting your money into investments



that have the best chance of helping you reach your savings goal. While past performance is no guarantee of future results, historically, stock investments have had the greatest potential for long-term growth. So you may want to consider putting some of your savings into your plan's stock investments.

* Savings Fitness: A Guide to Your Money and Your Financial Future, U.S. Department of Labor, October 2010

Will You Have Enough?

Annual Retirement Income Needed from Savings	Amount of Savings Needed	
	5% Average Annual Investment Return During Retirement	7%
\$20,000	\$281,879	\$233,072
\$40,000	\$563,758	\$466,143
\$60,000	\$845,637	\$699,215
\$80,000	\$1,127,516	\$932,287

Assumes a 25-year retirement and that all the savings amounts shown are depleted after 25 years. Future inflation will likely increase your income needs during retirement. Your investment returns and balances will vary. Source: NPI

plans. Review their objectives, fees and expenses, risks, and past performance. Then determine how you want to invest within each plan so that your overall allocation reflects your coordinated strategy. Depending on the investment options in each plan, you may choose to put more money into the stock investments in one plan and more into the bond investments of the

other plan, or vice versa. While it's generally a good idea to diversify* your investments among stocks, bonds, and cash investments, it may turn out that neither of you will be broadly diversified *within* your plan. But that's okay as long as your *overall* portfolio reflects your combined strategy.

* Diversification does not ensure a profit or protect against loss in a declining market.

Having a coordinated strategy can help you reach your retirement savings goal.



Beware of Savings Breaks

When money is tight or you have a major expense, are you tempted to take a break from saving for retirement to free up the cash you need? Before you stop contributing, you should know that taking even a relatively short break could mean a lot less money available to you when you're ready to retire.

When retirement is still a long way off, other financial demands may seem more important. Maybe you want to save for a down payment on a home or buy a car, for example. But, if you keep putting off saving for retirement, you might not have enough to live on when the time comes for you to stop working.

If your plan is to just take a short break from saving for retirement to take care

of a current financial need, keep in mind that even the best laid plans can go astray. Another financial crisis may crop up, causing you to postpone when you resume making contributions to your retirement plan. Before you know it, years could go by and you won't have added anything to your retirement savings.

Since you're already in the habit of saving in your employer's plan — and it's easy since your contributions are taken automatically from your pay — you're probably better off looking for other places in your budget where you can cut back when money is tight. Over time, uninterrupted contributions and compounded investment earnings have the potential to add up significantly.



Penalty of Pausing

You could pay a high price for taking a break from saving. Compare the account balances of three employees who each save \$100 a month for retirement and earn an average annual total return of 6%. One saves continuously, but the other two take breaks.



This is a hypothetical example used for illustrative purposes only. It is not representative of any particular investment vehicle. It assumes a 6% average annual total return compounding monthly and that savings remain invested at 6% compounded monthly during periods of noncontribution. Your investment results will be different. Tax-deferred amounts accumulated in the plan are taxable on withdrawal, unless they represent qualified Roth distributions. Source: NPI

This publication is designed to provide useful information about retirement plans and investing your plan account savings. While the information contained herein was obtained from reliable sources, it cannot be guaranteed as to completeness or accuracy. Before acting on any of the information provided, consult your professional advisor.

The Importance of Diversifying Your Retirement Savings

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Allocating your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.