

# Communicating Nonqualified | Deferred Compensation

## HOW IT CAN WORK FOR YOU

### Greg

Greg pictures a retirement lifestyle that allows him greater financial freedom than many Americans are encountering today. Deferring before taxes means more dollars working toward retirement.



### Retirement Income Focus

Greg met with a financial advisor less than a month after he read an article that referenced the 2004 President's Committee on Pension Policy warning that Americans making \$200,000 or more would need 88% of their pre-retirement income to sustain the same lifestyle into retirement.

Like many executives who want to maintain much of their current lifestyles into their non-career or "second career" years, Greg decides to defer 10% to 15% of his annual salary, and some bonus compensation into the plan. Since the plan's inception, he has scheduled distributions after retirement, so his deferral amounts have a 20-year time horizon. He selects investment options and uses the MyStrategy account management tool on the website, creating strategies with different risk factors.

Greg understands the executive Deferred Compensation Plan allows shorter term deferral periods, so he could schedule payments before retiring— but at least for now he is focusing on building retirement income.

*These 401(k)-style executive plans add an additional yet central layer of retirement savings for anyone who wants a comfortable retirement.*

- Pre-tax dollars mean more invested dollars “working”
- Meaningful retirement income requires a commitment during your working years beyond the 401(k) limit

