



The impact salary deferral contributions can have on your paycheck

It's easy to put off contributing to your employer-sponsored plan, simply by thinking that a small amount contributed now won't make any difference later. But putting even a small amount into the retirement plan can potentially add up to a big difference when it's time to retire. And you may barely notice the difference in your take-home pay. Consider this:

Reduction in Biweekly Take-Home Pay					
Deferral Rate	Annual Salary \$20,000	Annual Salary \$30,000	Annual Salary \$40,000	Annual Salary \$50,000	Annual Salary \$60,000
1%	6.00	9.00	12.00	14.00	17.00
2%	12.00	17.00	23.00	29.00	35.00
3%	17.00	26.00	35.00	43.00	52.00
4%	23.00	35.00	46.00	58.00	69.00
5%	29.00	43.00	58.00	72.00	87.00
6%	35.00	52.00	69.00	87.00	104.00
7%	40.00	61.00	81.00	101.00	121.00
8%	46.00	69.00	92.00	115.00	138.00
9%	52.00	78.00	104.00	130.00	156.00
10%	58.00	87.00	115.00	144.00	173.00
11%	63.00	95.00	127.00	159.00	190.00
12%	69.00	104.00	138.00	173.00	208.00
13%	75.00	113.00	150.00	188.00	225.00
14%	81.00	121.00	162.00	202.00	242.00
15%	87.00	130.00	173.00	216.00	260.00

Reduction in Biweekly Take-Home Pay					
Deferral Rate	Annual Salary \$70,000	Annual Salary \$80,000	Annual Salary \$90,000	Annual Salary \$100,000	Annual Salary \$150,000
1%	20.00	23.00	26.00	29.00	43.00
2%	40.00	46.00	52.00	58.00	87.00
3%	61.00	69.00	78.00	87.00	130.00
4%	81.00	92.00	104.00	115.00	173.00
5%	101.00	115.00	130.00	144.00	216.00
6%	121.00	138.00	156.00	173.00	260.00
7%	141.00	162.00	182.00	202.00	303.00
8%	162.00	185.00	208.00	231.00	346.00
9%	182.00	208.00	234.00	260.00	389.00
10%	202.00	231.00	260.00	288.00	433.00
11%	222.00	254.00	286.00	317.00	476.00
12%	242.00	277.00	312.00	346.00	519.00
13%	263.00	300.00	338.00	375.00	563.00
14%	283.00	323.00	363.00	404.00	606.00
15%	303.00	346.00	389.00	433.00	649.00

This chart assumes tax withholding of 25% and that the salary is paid bi-weekly. Individual taxpayer circumstances may vary. This example is for illustrative purposes only. Reduction in biweekly take-home pay is accurate for the initial year and would change based on participant's annual pay.

By contributing a portion of your pay – or by increasing your current salary deferral contribution – to the employer-sponsored retirement plan, you're taking an important step that may help provide for a more secure and satisfying retirement. *For more information on helping you in taking your next step, visit us online at principal.com or call a retirement specialist at 800-547-7754.*



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