Wherever you are
Wherever you are going

Control your financial destiny

Perhaps you are already familiar with the basic retirement savings principles: *Invest early in your career. Maximize your contributions. Allow time to work on your behalf.* Follow these fundamentals and you may end up with a substantial nest egg over time. However, knowing the fundamentals of saving and actually putting them into practice are two different things. Information is only useful if you act on it. That's why now is the time to take action. Setting objectives and deciding how they will be met can mean the difference between enjoying a comfortable retirement and just getting by.

Anticipate your needs

To afford the retirement comforts and lifestyle that you have always dreamed about, you need to save enough money. How much is enough? The answer can be difficult to pinpoint.

A practical starting point is to figure out what you will need and want during retirement and what amount of income will sustain that lifestyle. Break down your future income sources into categories. Include estimated Social Security payments and benefits from any pension plans sponsored by your employer, income you will draw from your personal savings and investments, and funds in your retirement plan account.

Identify and set goals

Choose a realistic goal for your retirement account balance and then commit yourself to reaching it before you retire. Bear in mind that the earlier you make your contributions, the longer they can take advantage of potential tax-deferred growth. Contributing more now may significantly increase the size of your retirement nest egg by the time you will need to begin draining funds.

Go for it

Regardless of how close you are to retirement, it is important to set attainable goals and expectations. Take the time to estimate the amount of retirement income you'll need and set a targeted retirement account balance. Then, contribute as much as you can to reach that target amount.

Although your retirement planning approach should be personalized to meet your goals, it may be helpful to review what other workers contribute to their retirement plans. Use the chart that follows to compare the amount you contribute to the amount contributed by others in your age group who earn a comparable salary. How do you match up?

Are you saving enough?

Average retirement plan salary contribution percentages based on income and age.

Annual earnings	Average deferral %
$10,000 – $14,999	6.4%
$15,000 – $19,999	5.8%
$20,000 – $24,999	6.3%
$25,000 – $29,999	6.8%
$30,000 – $49,999	7.4%
$50,000 and up	7.9%

Age	Average deferral %
21–30	6.3%
31–40	6.6%
41–50	7.6%
51–60	8.0%
61–64	9.0%
65 and over	8.1%

For all civilian nonagricultural wage and salary workers aged 16 and over (who contribute to plans).

Source: *EBRI Databook on Employee Benefits*, Fourth Edition.

For further information on retirement planning

We invite you to visit **mybmoretirement.com** or call the My BMO Retirement Line at **1-800-858-3829**.

BMO | Retirement Services