

Sally,

Creating an adequate retirement nest egg, like winning a bicycle race, requires a team effort. That is why the company matches your 401(k) contributions.



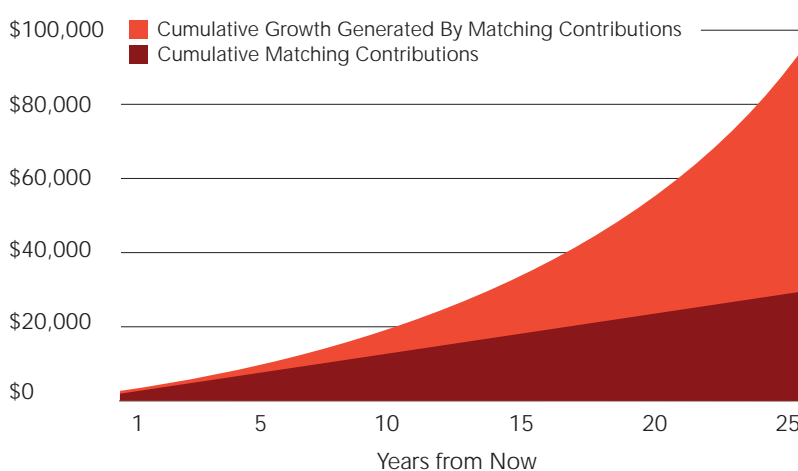
The company's match and the growth it generates are the part of your retirement nest egg you don't have to worry about saving yourself. As you can see from the graph, this money can grow to a tidy sum. (Please note that none of your contributions or the growth they generate are reflected in the graph.)

The graph also separates the value of the company's future contributions into its component parts: the accumulated matches and the growth generated by those matches.

Over long periods of time, the growth generated by the company's match becomes much greater than the value of the matches themselves. This is why it is so important for you to contribute at least enough to maximize the match you get. By not contributing enough to get the full match, you are not only missing out on the match itself, but also on all the growth it can generate.

The company's match also comes with two tax advantages. The first one is that the match, like your contributions, grows tax-sheltered. The second is that you don't have to pay taxes on the company's contributions until they are withdrawn from your account. These advantages, then, make the company's match a very "tasty icing on the cake".

Growth of Possible Employer Match Contributions



Assumptions*

Current age	40	Investment return	8%
Current salary	\$40,000	Your Contribution**	6% or more
Years to retirement	25	Employer Match	50% on the first 6% of pay contributed
Salary growth rate	3%		

* Please keep in mind that the assumptions are not guaranteed. No one can predict future events. ** The calculations assume that your contribution rate qualifies you to receive the full match each year and that the company maintains the current match schedule until you retire.



