

The Power of Compounding

Compounding is a powerful process that can help you grow your retirement savings. It starts when the money you've contributed to your plan generates investment earnings. Those earnings are added to your balance and reinvested so that you then have the potential to earn a return on your contributions *and* your earnings. As the compounding process repeats itself, you have a larger and larger pool of money invested.

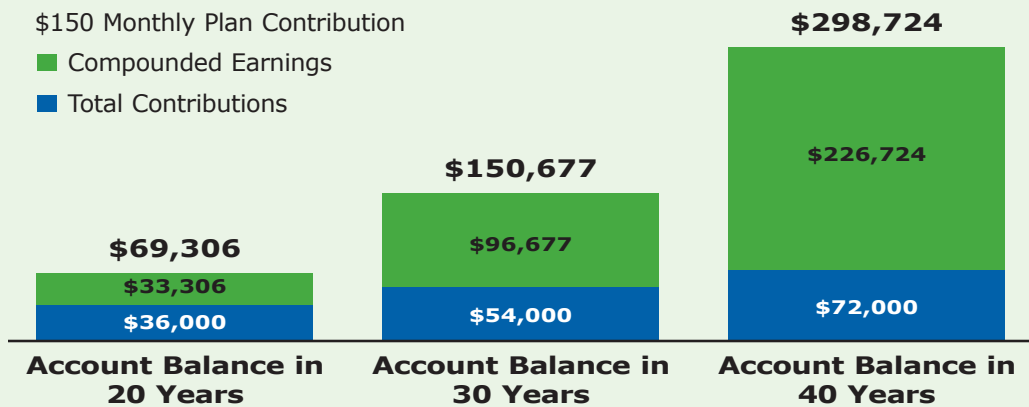
The longer your money can benefit from compounding, the better. So try to add money to your account

by increasing your paycheck contributions — even by a small amount — whenever possible.

A benefit of saving in your employer's plan is that any earnings your investments generate are tax deferred.* Since income taxes aren't taken out of your account each year, more of your money can remain invested to potentially benefit from the power of compounding over time.

** Distributions of tax-deferred amounts are subject to income taxes unless they consist of qualified distributions from a designated Roth account.*

Compounding Over Time



This is a hypothetical example used for illustrative purposes only. It is not representative of any particular investment vehicle. The chart assumes a 6% average annual total return compounded monthly. Your investment results will be different. Source: NPI

