

# HOW WILL A 5% CONTRIBUTION AFFECT MY PAYCHECK?

# TPC

401(K)

THE PAYROLL COMPANY

One of the most common concerns participants have when deciding on an amount to contribute to a retirement plan?

That it will make too much of a difference in take-home pay. Many think they just “can’t afford” to participate in a retirement account.

You might be surprised to find out that making retirement plan contributions might not have as big of an impact on your check as you think. Below we have illustrated the affect of contributing at a rate of 5%:

Annual Salary	5% Pre Tax		5% Roth	
	Per Paycheck	Annually	Per Paycheck	Annually
\$12,000	\$18.50	\$600	\$23.00	\$600
\$15,000	\$23.00	\$750	\$30.00	\$750
\$20,000	\$31.00	\$1,000	\$38.50	\$1,000
\$24,000	\$37.00	\$1,200	\$46.00	\$1,200
\$30,000	\$46.00	\$1,500	\$58.00	\$1,500
\$35,000	\$54.00	\$1,750	\$67.50	\$1,750
\$40,000	\$61.50	\$2,000	\$78.00	\$2,000
\$50,000	\$78.00	\$2,500	\$96.00	\$2,500
\$60,000	\$92.00	\$3,000	\$115.00	\$3,000
\$75,000	\$115.00	\$3,750	\$144.00	\$3,750
\$100,000	\$154.00	\$5,000	\$192.00	\$5,000

\*calculations based on 26 pay periods per year and a 20% tax bracket

Small increases here and there might not be hard on your check, but they definitely make a big impact on the money you’ll have at retirement! If you’d like to know more about how contributing to a retirement account will affect your paycheck, contact your plan financial advisor or your TPC 401(k) Education Consultant at 888.505.4484. Remember, the earlier you get started the better off you’ll be!