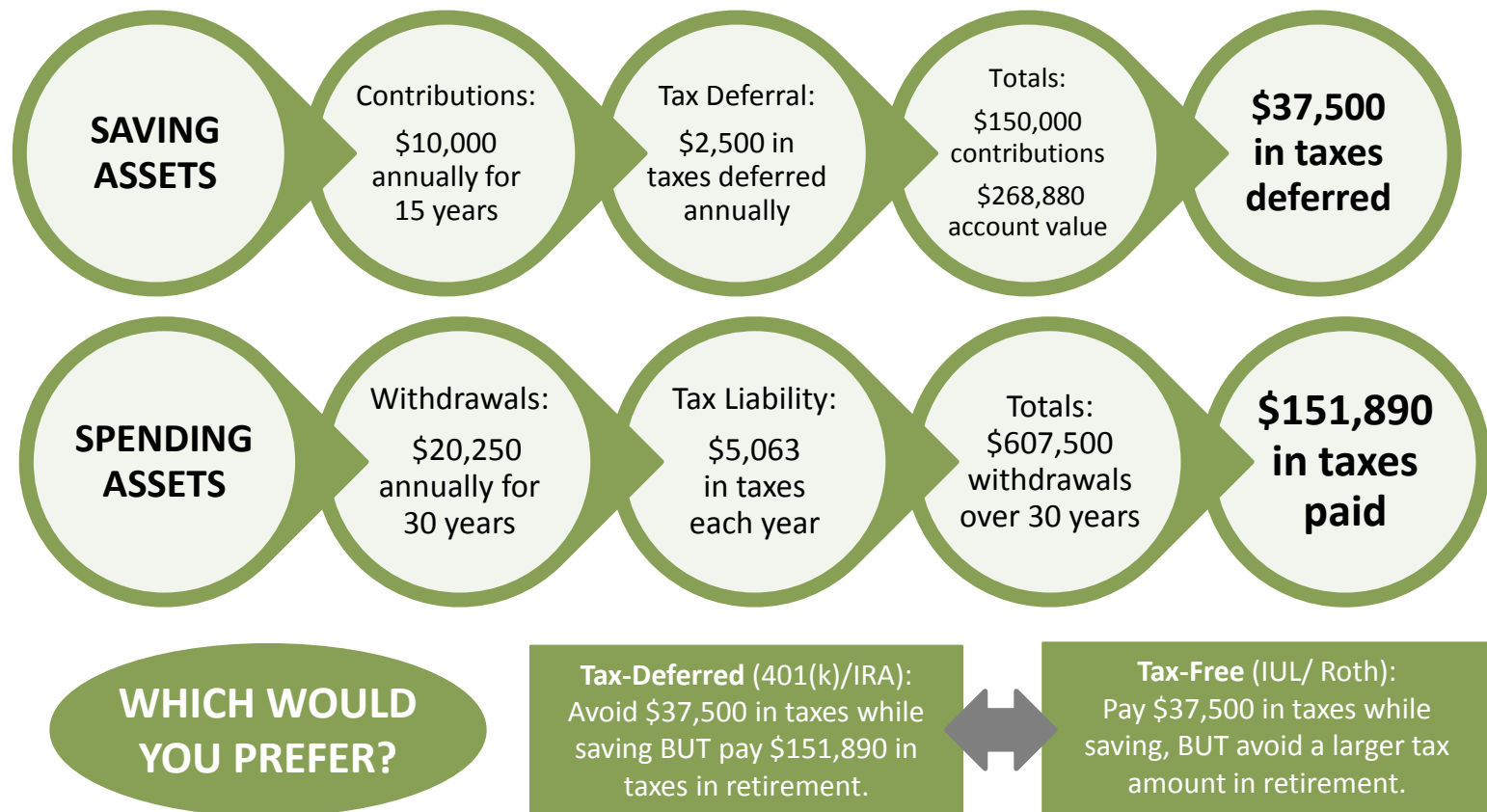


Taxes: The Cost of Paying Later

Because tax-deferred accounts require participants to ultimately pay income tax on contributions *and* accumulation, the overall taxes projected to be paid is an important consideration. Below is an example of a tax-deferred account, like an IRA. This example shows the taxes deferred at the time of contribution, and the taxes owed at the time of withdrawal.

For this example, we've assumed an individual in the 25% tax bracket contributes \$10,000 annually for 15 years with a 7% net annual growth rate into a tax-deferred asset, like a 401(k) or IRA.¹ We have assumed his tax bracket remains the same in retirement.



¹This hypothetical example does not consider every product or feature of tax-deferred accounts and is for illustrative purposes only. It should not be deemed a representation of past or future results, and is no guarantee of return or future performance. **This information is not intended to provide tax, legal or investment advice. Be sure to speak with qualified professionals before making any decisions about your personal situation.**