

Choose your contribution

How much you save to your employer’s retirement plan is one of the most important financial decisions you’ll make. Depending on your plan’s options, you can contribute a specific dollar amount and/or a percentage of your income.

1 Save a specific dollar amount

Contribution amount per biweekly paycheck	Actual reduction in take-home pay ¹	Potential growth over 20 years ²
\$20	\$15	\$19,674
\$50	\$38	\$49,186
\$75	\$56	\$73,780
\$100	\$75	\$98,373
\$150	\$113	\$147,560
\$200	\$150	\$196,747
\$250	\$188	\$245,934
\$500	\$375	\$491,868
\$750 ³	\$563	\$737,802



Plan to gradually increase your contribution amount over time.

2 Save a percentage of your salary

Consider what financial planners generally recommend and save about:

- 10% if you’re just starting out in your career
- 15% if you’re in the middle of your career, or more if you’re behind on saving

or

Salary	Contribution percentage	Actual reduction in take-home pay ¹	Potential growth over 20 years ⁴
\$40,000	10%	\$115	\$184,378
\$60,000	15%	\$260	\$414,851



See how your savings can grow over time – www.icmarc.org/grow.

3 Get advice

Look for guidance on how much to save for a secure future. You can also get advice on how to invest your savings and when you can retire – www.icmarc.org/guidedpathways.

Note: all examples are rounded to the nearest whole dollar.

¹ Assumptions include: biweekly pre-tax contributions, a 25% marginal federal tax rate, and one withholding allowance. Reduction in take-home pay displayed is for first year only. Your actual tax situation, and thus the actual amount out of your paycheck, may be higher or lower.

² Assumptions include: 6% effective average annual return, compounded biweekly.

³ Equates to \$19,500 yearly – the most you can contribute during 2021 based on IRS limits. Exceptions: If age 50 or over, you may contribute up to \$26,000 yearly, or a higher amount if you are near your plan’s normal retirement age.

⁴ Assumptions include: salary growth of 2.5% per year and 6% effective average annual return, compounded biweekly.

For more tips and tools to help you plan, save, invest and retire, visit www.icmarc.org