

The Power Of Pre-Tax Retirement Savings

When it comes to saving for retirement, you have a lot of choices. But, there's one strategy that can help boost your savings, while reducing your tax burden: **pre-tax retirement contributions**. See how pre-tax contributions can add up over time.

12% Federal Withholding Rate			22% Federal Withholding Rate			24% Federal Withholding Rate		
Monthly Reduction in Take-Home Pay	Pre-Tax Salary Reduction Amount	Annual Retirement Savings	Monthly Reduction in Take-Home Pay	Pre-Tax Salary Reduction Amount	Annual Retirement Savings	Monthly Reduction in Take-Home Pay	Pre-Tax Salary Reduction Amount	Annual Retirement Savings
\$200	\$227	\$2,726	\$200	\$256	\$3,076	\$200	\$263	\$3,158
\$300	\$340	\$4,089	\$300	\$384	\$4,615	\$300	\$394	\$4,737
\$400	\$454	\$5,452	\$400	\$512	\$6,153	\$400	\$526	\$6,316
\$500	\$568	\$6,816	\$500	\$641	\$7,692	\$500	\$658	\$7,896
\$600	\$681	\$8,179	\$600	\$769	\$9,230	\$600	\$789	\$9,475
\$700	\$795	\$9,542	\$700	\$897	\$10,768	\$700	\$921	\$11,054
\$800	\$908	\$10,905	\$800	\$1,025	\$12,307	\$800	\$1,052	\$12,633
\$900	\$1,022	\$12,268	\$900	\$1,153	\$13,845	\$900	\$1,184	\$14,212
\$1,000	\$1,136	\$13,632	\$1,000	\$1,282	\$15,384	\$1,000	\$1,316	\$15,792
\$1,100	\$1,249	\$14,995	\$1,100	\$1,410	\$16,922	\$1,100	\$1,447	\$17,371
\$1,200	\$1,363	\$16,358	\$1,200	\$1,538	\$18,460	\$1,200	\$1,579	\$18,950
\$1,300	\$1,476	\$17,721	\$1,300	\$1,666	\$19,999	\$1,300	\$1,710	\$20,529
\$1,400	\$1,590	\$19,084	\$1,400	\$1,794	\$21,537	\$1,400	\$1,842	\$22,108
\$1,500	\$1,704	\$20,448	\$1,500	\$1,923	\$23,076	\$1,500	\$1,974	\$23,688

If I am paid more frequently than monthly, or if the amount I want to deduct from my paycheck is not shown above, how do I estimate how much to save?

Reduction in
take-home
pay per
paycheck

X

Withholding
rate reciprocal

=

Pre-tax
salary
reduction
amount per
pay period

Marginal Withholding Rate	Withholding Rate Reciprocal
10%	1.111
12%	1.136
22%	1.282
24%	1.316
32%	1.471
35%	1.538
37%	1.587

The hypothetical examples are intended to show the effect of a monthly paycheck subject to a marginal withholding rate of 12%, 22% or 24%. Your actual federal, state and local withholding may differ. The marginal federal withholding rate that applies to you depends on your marital status, the number of exemptions you claim on your W-4, the payroll frequency and the withholding method used by your employer. It is meant to approximate your marginal federal income tax rate. The marginal withholding rate or marginal tax rate is the rate that applies to each additional dollar of earnings.

This information is not intended or written to be used as legal or tax advice. Please seek advice on legal or tax questions from an attorney or tax advisor.

Products issued by Annuity Investors Life Insurance Company®, member of Great American Insurance Group, Cincinnati, Ohio. © 2019 Annuity Investors Life Insurance Company. All rights reserved. GAIG.com.