

**RETIREMENT SAVINGS --
WHAT YOU SHOULD HAVE ACCUMULATED BY NOW
(AS A MULTIPLE OF ANNUAL PAY)
ASSUMING RETIREMENT AT AGE 65**

Current Annual Pay	Years Until Retirement							
	35	30	25	20	15	10	5	0
\$ 25,000	0.2	0.5	0.9	1.5	2.2	3.1	4.3	5.5
30,000	0.2	0.5	1.0	1.6	2.4	3.4	4.8	6.1
35,000	0.2	0.5	1.0	1.6	2.4	3.5	4.9	6.3
40,000	0.2	0.6	1.0	1.7	2.5	3.7	5.2	6.6
45,000	0.2	0.6	1.1	1.7	2.7	3.9	5.4	7.0
50,000	0.2	0.6	1.1	1.9	2.8	4.1	5.8	7.5
60,000	0.3	0.6	1.2	1.9	3.0	4.3	6.1	7.9
70,000	0.3	0.6	1.2	2.0	3.1	4.6	6.5	8.4
80,000	0.3	0.7	1.3	2.1	3.3	4.9	6.9	8.9
90,000	0.3	0.7	1.3	2.1	3.3	4.9	6.9	9.0
100,000	0.3	0.7	1.3	2.3	3.5	5.2	7.4	9.7
120,000	0.3	0.7	1.3	2.3	3.5	5.2	7.4	9.7
150,000	0.3	0.7	1.4	2.5	3.8	5.7	8.2	10.6
200,000	0.3	0.8	1.5	2.5	4.0	6.0	8.5	11.1

How to use this table:

Ideally, a 45 year old person, who is **20** years from retirement, with annual pay of **\$40,000** should have saved **1.7** times his annual pay by now --- i.e., \$68,000. For periods and salaries between those shown, just estimate a factor by interpolating.

Pension plans providing a monthly lifetime income:

In order to convert an *accrued monthly benefit* (payable for life, beginning at 65) into a lump sum, multiply it by the following factor, based on your age. Then treat that result as part of your retirement savings.

Age:	30	35	40	45	50	55	60	65
Factor:	9.8	14.4	21.2	31.2	45.8	67.3	98.9	145.4

Example: If you are age 45 and have *accrued* a vested monthly pension of \$1,000, multiply that by 27.7, resulting in \$27,700. Treat that resulting lump sum as part of your accumulated retirement savings.

Assumptions used in developing this table:

The factors shown above are very rough estimates based on these assumptions:

- 3.00% is the assumed rate of Inflation, both before and after retirement.
 - 3.50% is the assumed rate of salary increases
 - 8.00% Investment yield, pre-retirement
 - 5.50% Investment yield, post-retirement
 - 65 is the assumed Retirement Age, and the age when savings cease.**
 - 80% Required retirement income, as a percent of pre-retirement income.
 - 25 is the age we assume you and your employer(s) started saving, at the rate of 3.00% of pay. Savings percentages increase geometrically until retirement.
 - 85 is the assumed life expectancy
- It is assumed you will receive Social Security income based on the current laws.

If your current retirement savings are much below these multiples, you should seriously evaluate your retirement savings program.

If you want to retire before 65 your savings should be even more than indicated by this table.