Give Your Savings an Extra Boost

Your retirement may be just around the corner, or it may be 10 to 15 years away. Either way, you may want to start setting aside more income to help ensure you reach your saving goal. Good news: since you will be 50 or older this year, you can make annual “catch-up contributions” to your workplace retirement plan.

In 2020, you can make a catchup contribution of up to $6,500 on top of the regular employee contribution limit of $19,500—for a total of $26,000. And like your regular contributions, catch-up contributions are deducted from your paycheck before taxes, meaning you can save more today.

So, why not take advantage? Making an extra contribution each year may go a long way in helping you reach your goals and save enough for a financially secure retirement.

How can catch-up contributions make a difference?

<table>
<thead>
<tr>
<th>Annual catch-up contribution</th>
<th>Potential additional savings in 15 years*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>$29,300</td>
</tr>
<tr>
<td>$3,000</td>
<td>$88,000</td>
</tr>
<tr>
<td>$6,000</td>
<td>$176,000</td>
</tr>
</tbody>
</table>

Source: Retirement Savings Calculator on Schwab.com

* Hypothetical examples are for illustrative purposes only and are not intended to represent the past or future performance of any specific investment. The balances shown represent the amount contributed and the interest compounded annually. The examples assume a hypothetical average rate of return of 8%, reinvestment of dividends and capital gains, and no current taxes paid on earnings in a retirement plan account. Schwab Retirement Plan Services, Inc. does not provide tax or legal advice.

Ready to catch up?

- Log in to your account at workplace.schwab.com and click on Contributions under the Manage Account tab.
- Or call 1-800-724-7526 to speak with a Participant Services Representative.
- Download the Workplace Retirement app at workplace.schwab.com/mobile and update your contribution anytime from your mobile device.  

©2020 Schwab Retirement Plan Services, Inc. All rights reserved. [1115-9MIP] MKT94142RPS00 PAY (06/20)