



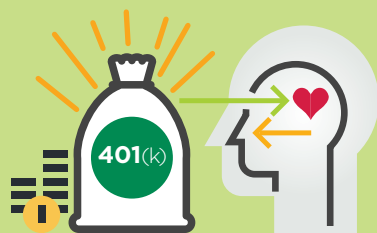
**YOUR NEW 401(K) ACCOUNT:**

**Put it to work for  
you right away!**

In just a few minutes, you can start building  
financial security for your future

A man and a woman are sitting at a desk, looking at a smartphone together. The man is on the left, holding the phone, and the woman is on the right, leaning over him. They are both smiling and looking at the screen. On the desk, there are some papers, a pen, and a laptop. The background is a blurred office or home workspace. The entire image has a blue tint.

**Investing in  
your future—  
the easy way**



## Congratulations—you can now begin contributing to your 401(k) Pension Plan account! Here are four reasons why your 401(k) could become your new best friend:

1

### Small contributions can grow into real money.

Don't have much to put aside right now? It's OK—slow and steady is the way to win this race. For example—**just \$10 saved each week can grow to over \$50,000 over 30 years.**<sup>1</sup> That's the price of going out for lunch every now and then!



SAVING	10 years	20 years	30 years	40 years
<b>\$10 WEEK</b>	= \$7,440	\$22,075	\$50,865	\$107,499
<b>\$100 MONTH</b>	= \$17,202	\$51,041	\$117,606	\$248,552

<sup>1</sup>Assumes 7% annual growth. Actual results may vary and are not guaranteed.

3

### Unless you plan to win the lottery, you'll need personal savings when you retire.

Nearly everyone will need some personal savings to help pay for life in retirement. Even if you expect to get a pension and Social Security benefits later on, those aren't typically designed to provide all of our retirement income. Saving in your 401(k) means building the nest egg you'll need.

Most retirees will need **personal savings** to fund **10-45%** of their retirement expenses.

Source: National Education Association Member Benefits.

2

### You can't afford *not* to save in your 401(k).

Saving may not be as hard as you think. You can contribute directly from your paycheck before income taxes are calculated. For every \$100 you contribute, only \$75 comes out of your take-home pay.<sup>2</sup> And because your 401(k) is a tax-deferred account, it could grow faster than an ordinary, taxable account.



Your co-op might offer other types of contributions that also allow you to lower your tax bill over the years—check with your benefits administrator to learn more.

<sup>2</sup>Assumes a 25% federal income tax bracket.

4

### You own your contributions 100%, no matter where your career leads.



The money in your account belongs to you from day one—you don't need to satisfy any service requirements to "own" those funds. And you can make account changes when you need to: You can increase the amount of money you're investing each paycheck through your benefits administrator, or change how your money is invested quickly and easily online (see page 3).



# Need help getting started?

Most people aren't experts in retirement investing—and you don't need to be! The 401(k) Plan makes it easy to start building and investing your nest egg.

## HERE'S HOW:

1

### Choose an amount to save.

That's the only decision you need to make right now! How much should you set aside each paycheck? There's no one right answer, but here are some tips:

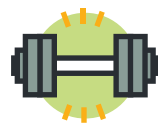
- **At a minimum, grab any match.**



If your employer offers one, do everything you can to capture its matching contribution.

This is like getting a guaranteed return on your investment. Don't leave money sitting on the table!

- **Keep building.**



It's OK to start small.

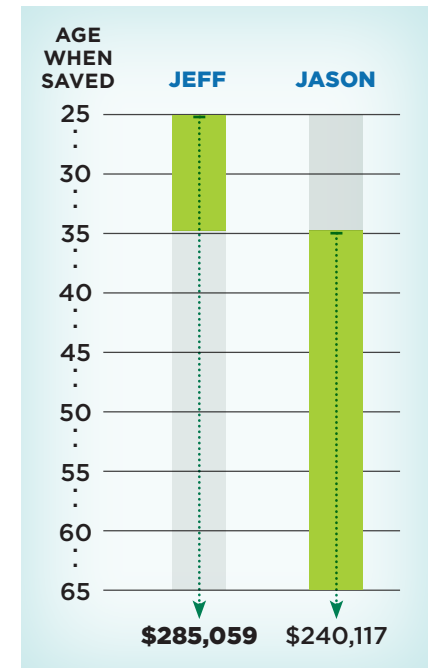
Just set goals and take advantage of opportunities to

increase your contributions over time. For example, add 1% each year, or add more when you get a pay raise or a promotion—you won't even miss it! Ultimately, the more you save, the more you're investing in your long-term financial security.

- **Start early.**

Even if you have to start small, the dollars you invest early in your career can be the most important because of the power of compounding. See how Jeff's nest egg outpaced Jason's—even though Jason saved longer.

Assumes a salary of \$35,000, a savings rate of 7% compounded monthly, and average annual growth of 7%. Actual results may vary and are not guaranteed.



2

### Fill out the card in the back of this booklet and give it to your benefits administrator.

Once you've picked a contribution amount, complete the "I'm ready to save!" card in the back of this kit and return it to your benefits administrator (and any other form your co-op requires). That's it! Now pat yourself on the back for investing in your future.



3

### Get answers to your questions.

You're bound to have questions about your 401(k) Plan account—if not now, down the road. And it's easy to get answers!

- Visit [Cooperative.com](https://www.cooperative.com), log into **My Benefits** and click **My Retirement**. You can get account information, make investment changes or find easy-to-use online tools. (First-time users will need to register.)



- Talk with an experienced Personal Investment & Retirement Consulting (PIRC) planner. [Read more about PIRC on the next page.](#)

If you want to know...	Try this:
How much should I save to meet my long-term goals?	The Savings Goal Calculator on Cooperative.com
How should I invest my 401(k) contributions?	PIRC can provide education to help you decide what choices make the most sense for you. You can also take the quiz in the back of this booklet to learn about your tolerance for risk.
How can I change how my money is invested?	On Cooperative.com, you can change how your existing balance or your future contributions are invested.
How can I keep my investment strategy from shifting due to market fluctuations?	Set up automatic rebalancing, or use the Target Date Portfolios.
What should I do if I'm nearing retirement?	Contact PIRC. A team member will work with you to create a plan for the rest of your working years—and for after you retire.



## What are my investment choices?

In the 401(k) Plan, you can choose whether you want to be a hands-on or hands-off investor.



**If you make no investment choices**, your contributions will be automatically invested in the plan's Target Date Portfolio(s). Each of these portfolios invest in a mix of asset classes designed around a specific retirement date, including a portfolio for retirees. Target Date Portfolios become more conservative over time and are rebalanced automatically—ideal if you want to leave the investment decisions up to someone else.



**If you prefer to choose your own investments**, the plan also offers a variety of options through its menu of core funds. Read more about these options on the insert in the back of this booklet, "Where can I invest my 401(k) Plan contributions?"

# PIRC: Here to help you throughout your career

Wouldn't it be nice to have a team of financial professionals, standing by to answer your investing and retirement planning questions—all included as part of your 401(k) account resources?

## **That's exactly what you have with NRECA's Personal Investment & Retirement Consulting (PIRC) team.**

PIRC planners help thousands of electric co-op employees each year by providing one-on-one education, and they're here to help you make choices that are right for you, too.

### **PIRC can work with you to:**

- Create a savings plan and make sure it's on track
- Choose investments that align with your goals
- Decide how to save for college expenses
- Help you evaluate advice provided by for-profit advisors
- Create an income plan when you're ready to retire

PIRC team members are salaried employees of NRECA who don't work on commissions. And support from the PIRC team is available at no additional cost to you as a plan participant.

## **Contact PIRC**

at **866.673.2299**

(choose option 6) from  
8:30 am – 5 pm ET, or  
email **[pirc@nreca.coop](mailto:pirc@nreca.coop)**.



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# Don't forget – help is just around the corner!



- Contact the PIRC team at **866.673.2299** (option 6) or **[pirc@nreca.coop](mailto:pirc@nreca.coop)**
- Manage your account online at **[Cooperative.com](https://www.cooperative.com)** > **My Benefits**
- Talk with your co-op's benefits administrator about the details of your 401(k) Plan

