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When you think about retirement, what do you see?

Prudential Retirement

Did you know...

Average annual pension is **$12,000**;

Average Social Security benefit is approximately **$14,000**.

Source: : "Notes," p. 16, wwwEBRI.org, 2010; Social Security Administration, www.ssa.gov, 2010.

When you picture retirement, what do see? Travel? New hobbies? Spending more time with family and friends? Launching that new career you've always wanted to try?

Whatever your unique retirement looks like, one thing is common to us all: It's important to have the money necessary to enjoy the retirement you want.

Thanks to medical advances and healthier lifestyles, we're living longer than ever these days. That's great news, of course. But it means retirement can be longer than ever. And even more important to plan for.

It's not uncommon for retirement to last 30 years or more. Indeed, there's a 45% probability that one member of a healthy 65-year-old couple will live to age 90. *(Source: Society of Actuaries Retirement Participant 2000 Table)*

How much would a healthy couple need to maintain a healthy retirement lifestyle? Many analysts estimate you should plan on replacing at least 80% of your current income.

Social Security probably will provide some of that money. But the average Social Security benefit is less than $14,000 a year. (Source: www.ssa.org) Considering that fewer than 1 in 4 employees even qualifies for a company pension these days *(Source: "Notes," May 2010, www.EBRI.org)*, where will the rest of the money come from?

For many, their retirement plan.

It's never too early to contribute

When you're just starting out, the biggest asset you have usually isn't money. It's time.

Consider this: A 25-year-old contributing just $25-a-week to her retirement plan can accumulate over $217,000 by the time she retires at age 65. (*The compounding concept is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. No taxes are considered in the calculations; generally withdrawals are taxable at ordinary rates.* ***It is possible to lose money by investing in securities.***)

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You can also visit **www.prudential.com/online/retirement** or call a Prudential Retirement® representative toll-free at **1-877-PRU-2100** for more information.

It's never too late to contribute

Even if retirement is starting to come into focus and you haven't saved much yet, it's not too late to start.

Consider: Current 401(k) rules allow plan participants who are 50+ years old before the end of the calendar year can make "catch-up" contributions in addition to their regular annual contributions. The annual limit is indexed for inflation and has changed over the years, but for 2011 the additional "catch-up" contribution limit is $5,500.

So, a 50-year-old who contributes $16,500 (2011 contribution limit) plus an additional $5,500 "catch-up" contribution every year to his retirement plan can accumulate nearly $550,000 by age 65. *(The compounding concept is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. No taxes are considered in the calculations; generally withdrawals are taxable at ordinary rates.* ***It is possible to lose money by investing in securities.****)*

Tax Facts

- Contributions are "before-tax," which means they reduce your annual income, and therefore your annual income taxes.
- Assets can accumulate tax-deferred, which means you won't owe income taxes on the money until you withdraw your money.

One thing is clear: A successful retirement takes planning.

Contributing as much as you comfortably can to your plan is a smart way to save for retirement.

So if you haven't enrolled yet, talk to your plan administrator about signing up. Tomorrow may be here sooner than you think.

Amounts withdrawn are subject to income taxes. Withdrawals before age 59½ may also be subject to a 10% federal income tax penalty and plan restrictions.

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

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