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Deferred compensation can supplement your pension and help you have a more comfortable retirement.

What is deferred compensation?

A deferred compensation plan is a supplemental retirement-savings program that offers a tax-advantaged way to invest for potentially more retirement income. Pre-tax contributions and any earnings are taxed as ordinary income when withdrawn.*

Why join a deferred compensation plan?

By investing through your employer's deferred comp plan, you may be able to fill a potential gap between what your pension provides and income you may need. Consider this: A 65-year-old couple retiring this year may need \$275,000 (in today's dollars) to cover medical expenses throughout retirement.¹

How do you put money in your account?

That's the easiest part! Your contributions are automatically deducted before taxes from your pay, contributed to your deferred comp plan account, and then invested as you direct.*

Deferred comp is designed for long-term investing. However, if you leave employment with your deferred comp plan sponsor, you can withdraw money without paying a 10% penalty. That should be considered if you're thinking about early retirement.

What about the risks of investing?

Investing involves market risk, including possible loss of principal. But you also face several other risks. Although your Nationwide Retirement Specialist cannot offer investment, tax or legal advice, we'll help you put the various risks into perspective and explain strategies that may help you deal with them.

How do I get started in a deferred compensation plan?

Contact your Nationwide Retirement Specialist:
Jeremy B. White
334-689-0947
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Retirement Specialists are registered representatives of Nationwide Investment Services Corporation, member FINRA.

**Note: If your employer's deferred compensation plan offers a Roth option and you take advantage of it, your contributions are taken after taxes are applied, but withdrawals of contributions and their potential earnings would be tax free (subject to certain conditions).*

¹ "Retiree Health Care Costs Continue to Surge," *Fidelity Viewpoints* (September 2017). The estimate is based on a hypothetical couple retiring in 2017, with average life expectancies of 85 for a male and 87 for a female.

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