

# SAVINGS AND RETIREMENT MYTHS AND REALITIES

Some of what you may think about planning for retirement couldn't be further from the truth — thoughts like “I've got years” before needing to save for it, or that it will “all work out” when the time comes. Instead of assuming, check out these common myths and the truth behind each for some real possibilities to achieve the retirement you deserve.

MYTH	REALITY
<p><b>I can only afford to save a little right now, so I'll start later and be fine.</b></p> 	<p><b>The earlier you start, the better.</b> Whether you start small or start later, the most important step is to start. Save easily through your employer-sponsored retirement plan with automatic contributions from your paycheck. Increase your contributions by a small percentage every year — or more often if you can — and your savings can really add up. <a href="#">Learn more with our Choose Your Contribution flyer.</a></p>
<p><b>Cutting out little things won't make a difference.</b></p> 	<p><b>It all adds up.</b> For example, if you cut out just a \$4 cup of coffee every day for a year and saved that money instead, after 10 years with a 5% return on investment, you'd have over \$18,700. Too big a sacrifice? Scale back by a cup or two a week and still save. <a href="#">Use our Small Change, Big Savings tool</a> to learn how cutting back a little can save you thousands of dollars.</p>
<p><b>My expenses will decrease during retirement, so my savings will be enough.</b></p> 	<p><b>Not necessarily.</b> Unless you allocate money for them, things like traveling, new hobbies, or relocating will increase your spending. There's also inflation and health care costs (read more about Medicare below). <a href="#">Use our Retirement Income calculator</a> to help determine how much money you may need, how long it may last, and how much you can withdraw from your retirement savings.</p>
<p><b>Medicare will pay all my health care costs.</b></p> 	<p><b>Medicare only covers a percentage of your total health care costs.</b> Considering that many people retire before they're even eligible for Medicare, and that many are living longer, your health care expenses are likely to be significant during retirement. To factor your potential health care costs and available resources, <a href="#">use our Retiree Health Cost Estimator.</a></p>

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Your Retirement Plans Specialist can help you with making the right choices for your retirement planning.



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