

What Will Your Retirement Selfie Look Like?



Selfies. They're a great way to take a picture of yourself today. But did you ever stop to think what your selfie might look like in retirement? For example, do you see yourself traveling abroad? Taking care of grandchildren? Volunteering at a local charity?

How do you want to live?

Only you can decide. By visualizing the lifestyle and location you want once you've called it a career, you can estimate what it could cost to live that way and how much you think you'll need to save to get there.

To learn if you're saving enough for retirement, and what you can do if you're not, try the **Retirement Income Calculator** (RIC) by logging in to your account at sfdcp.org. The RIC will estimate how much you'll likely need based on:

- your monthly SFERS benefit
- an estimate of your future Social Security benefit¹
- your current SFDCP balance

Still not sure? Many financial professionals tell their clients they may need to replace at least 80% of their final year's salary, *every year* in retirement.

Plan Now—NEW Contribution Limits for 2018!

It's been two years since the IRS increased the contribution limits for retirement savings, but it's finally here! NEW in 2018, **IRS limits** will increase by \$500, making the maximum contribution \$18,500 or \$24,500 if you're age 50 and over.

As a participant in the SFDCP, you may contribute up to 61% of your gross compensation per paycheck towards the IRS Limit. To maximize your contributions, you should calculate your deduction for each pay period. For example, if you are under age 50 and wish to contribute the maximum to the plan, divide \$18,500 by 26 pay periods to equal \$712 (rounded up) per paycheck. Of course, if you start later, simply divide by the number of pay periods left to calculate your per pay period deduction. A **payroll calendar** can also be found on the "**About Your Plan**" page at sfdcp.org.

Regular, Age 50+ and Special Catch-up Contributions²

Plan Contribution Limit	2017	2018
If you're younger than age 50	\$18,000	\$18,500
If you're age 50 and older (includes catch-up contribution amount of \$6,000)	\$24,000	\$24,500
Special 457(b) Catch-up ³	\$36,000	\$37,000

IMPORTANT: Even if you contributed the maximum in the past, your future contributions may not be maximized unless you update your per pay period deductions. You can do this by logging in to your account at sfdcp.org or call **888-SFDCP4U** (888-733-2748), option 1. **You do not need to complete a form.**

Don't Let Instant Gratification Today Cost You Tomorrow

As you prepare for the new year and start to think about your finances in 2018, it's important to keep something called instant gratification in mind—and how it can affect your future. We're all human: Sometimes we want things when we want them, which is **RIGHT NOW!** Experts say the idea of waiting for anything is painful for us. But did you know that the pain of saving money today can be offset by the pleasure of having even *more* money tomorrow? That's because today's purchases may be instantly gratifying, but they could cost a lot more than you think.

Think about all the things you spend money on right now. The “discretionary” expenses: that morning cup of coffee on your way to work, for example. Could you make it yourself for less? (Consider the number of times you buy that coffee each month and you may be surprised at how much you're spending.) And those two to three dinners out a week? Maybe you could cook extra on a weekend and freeze leftovers for an easy meal the following week? Studies show it's not only cheaper to cook at home, but healthier too!

The bottom line is this: Temptation is everywhere—but it's not *everything*. If you can show just a



Be sure to watch this amusing clip, or visit sfdcp.org and click “View your most recent newsletter” to access the video link.

little restraint today, you'll have the potential to enjoy much greater rewards tomorrow. The good news is that even small increases to your **SFDCP contributions** could make a big difference to your financial future.

Visit sfdcp.org to log in to your account and increase your contribution level today! Or call **888-SFDCP4U** (888-733-2748) for assistance.

Need More Help?

If you need some one-on-one help with your retirement planning, you can speak to any of our dedicated retirement counselors. Their goal is to help you create a sustainable strategy that could provide a more secure retirement.

To make the most of your appointment, consider bringing the following items with you:

- a list of outside savings accounts and pension balances
- information about your gross annual income and net pay after taxes and deductions
- an estimate of your monthly expenses and monthly contributions to savings

Bringing this kind of information to your appointment can help your counselor get the *whole* picture with respect to your finances.

To schedule an appointment, call **888-SFDCP4U** (888-733-2748) and select option 2, or visit the “**Contact Us**” page at sfdcp.org. Walk-in appointments are also available Monday–Friday, 8 a.m. to 5 p.m. at 1145 Market Street, 5th floor.



¹ If eligible

² You may not combine Special 457(b) Catch-Up and Age 50+ Catch-up contributions in the same tax year.

³ If qualified. Starting three years before your “normal” retirement age (whether you will retire or not), if you have not always contributed the maximum allowed to your account each year, you may be able to contribute a total amount equal to twice the annual limit. You may even be able to take advantage of this in the year you retire, and defer your eligible lump sum payout (such as unused vacation hours) for possible tax savings!

Neither Prudential Retirement nor its associates provide investment or legal advice, for which you should contact a qualified professional.

Participants using the Retirement Income Calculator should consider other assets, income and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.) when assessing the adequacy of the estimated income stream as provided by this tool. The Retirement Income Calculator is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. There is no assurance that retirement income objectives will be met. **You can lose money by investing in securities.**

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