

# How Saving 10% in Your 401(k) Affects Your Paycheck



## MEET BETTY

She's a social worker and curious about how her 401(k) savings will impact her paycheck. She has met with her financial adviser and knows she needs to save 10% to stay on track for her retirement.

- Income= \$48,000
- Total blended tax rate = 20%
- Paid bi-weekly (26 paychecks per year)

CATEGORIES	TRADITIONAL/PRE TAX	ROTH/AFTER TAX
PRE-TAX & PRE-401(K) TOTAL PAYCHECK	\$1,846	\$1,846
401(K) CONTRIBUTION PERCENTAGE	10%	10%
TOTAL CONTRIBUTION INTO THE 401(K) PLAN	\$184	\$184
NEW TAXABLE/GROSS PAYCHECK AMOUNT	\$1,662	\$1,846
TAXES PAID TODAY	\$332	\$369
TAKE HOME PAY	\$1,330	\$1,477
DISTRIBUTIONS IN RETIREMENT	TAXED IN RETIREMENT	NOT TAXED IN RETIREMENT

