

SAVING FOR RETIREMENT

PREPARING FOR THE RETIREMENT YOU ENVISION



GETTING RETIREMENT-READY

By your late 50s and early 60s, you've likely spent decades building your retirement savings. As retirement gets closer, your focus may begin to shift from building savings to making sure those savings can support the lifestyle you want in retirement. You may be evaluating when to retire, how much income you'll need, and whether your current savings strategy is aligned with those goals.

While continuing to save remains important, this stage of life often calls for a greater focus on managing risk and preserving the assets you've worked hard to build. Your workplace 401(k) can play an important role in helping you do both.

THE TIME IS NOW

Your final working years can matter the most.

The years immediately before retirement are an opportunity to strengthen your financial readiness. Increasing contributions, taking advantage of catch-up provisions, and staying invested can help support your long-term goals.

Even if retirement is only a few years away, you still have opportunities to strengthen your retirement readiness. These final working years can be some of the most important for building savings, maximizing contributions, and preparing for the transition to retirement.

If you're age 50 or older, catch-up contributions can provide an opportunity to take greater advantage of workplace retirement savings before leaving the workforce.

Take advantage of catch-up contributions to maximize your 401(k)

$$\text{\$24,500} + \text{\$8,000} = \text{\$32,500}$$

Maximum Contribution for 2026

Additional Catch-Up
Contribution for Those Age
50 or Older

Total Contribution¹

¹ IRS Notice 2025-67. Certain higher-income participants may be required to make catch-up contributions as Roth contributions. Consult your plan materials for details.

DON'T LEAVE FREE MONEY ON THE TABLE

A common employer match is 50% of what you contribute, up to 6% of your salary, though your plan may differ.²

BOOST YOUR SAVINGS

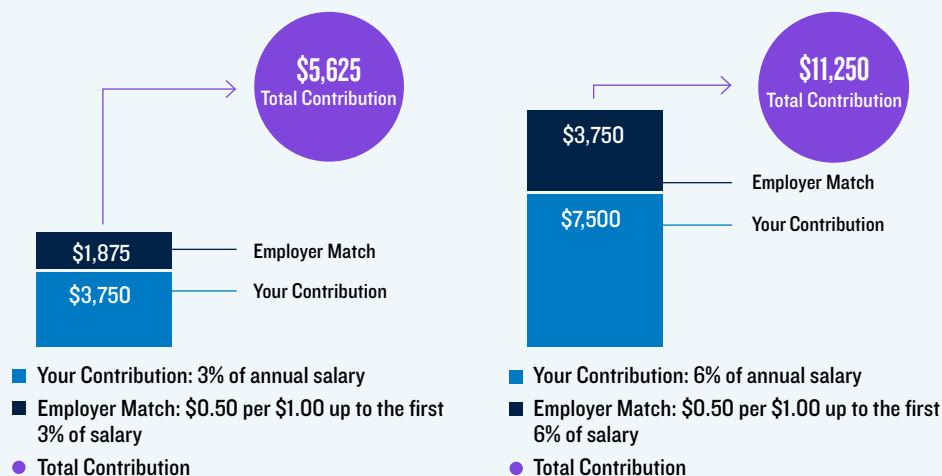
Taking full advantage of your employer's 401(k) match can help you save more for retirement while you're still working.

Your employer may match a portion of your 401(k) contributions—adding extra money to your retirement savings. If you're not contributing enough to receive the full match, you're leaving those dollars behind.

- Understand your employer's matching contribution. Review your plan details and contribute enough to take full advantage of this valuable retirement benefit.
- Make the most of your remaining working years. If your budget allows, consider saving 10%–15% of your salary, including any employer match.

Don't miss out on your full match

Contributing enough to receive the full employer match can add thousands of dollars to your retirement savings each year.



Source: PGIM. Not indicative of an actual investment; for illustrative purposes only.

Hypothetical examples based on a \$125,000 salary and a 50% employer match.

INFLATION AND PURCHASING POWER

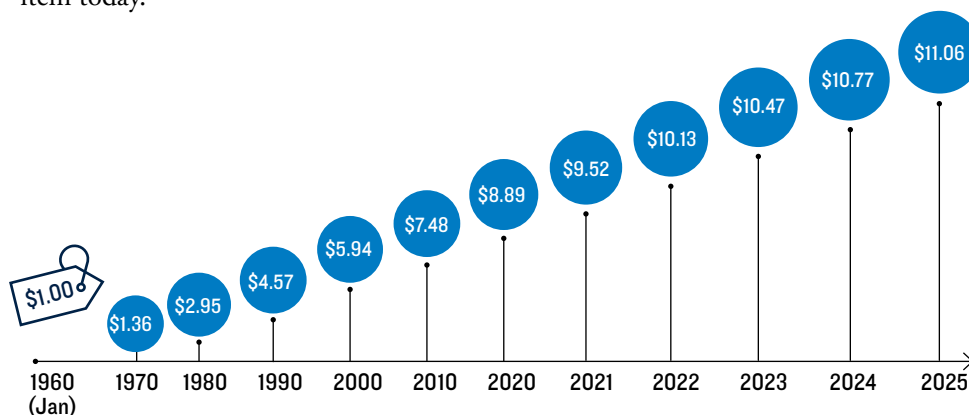
Inflation can reduce your purchasing power in retirement, meaning your savings may buy less over time. As the cost of goods and services rises, it may take more income to cover both essential expenses and the things you enjoy. Continuing to save and invest can help you prepare for rising costs throughout retirement.

Why is purchasing power so important?

Purchasing power refers to how many goods and services your money can buy. Over time, inflation can reduce the value of a dollar, making everyday purchases more expensive. That's why it's important to consider inflation as part of your retirement planning strategy.

The Impact of Inflation Over Time \$1.00 Adjusted for Inflation

If \$1.00 was the cost of an item in 1960, you'd need \$11.06 to buy that same item today.



Source: As of December 31, 2025. U.S. Bureau of Labor Statistics, CPI Calculator.

² Empower, 401(k) Matching Example, Potential Growth Over Time, December 5, 2025.

THE BASICS OF HOW YOUR 401(K) GROWS

Three key concepts can help you balance growth and risk as retirement approaches:

ASSET ALLOCATION



Asset allocation—how you divide your investments among stocks, bonds, and other asset types—plays a central role in how your portfolio performs over time.

Different types of investments respond differently to market conditions. For example, what causes stocks to fall may help bonds perform better. In other words, when one type of investment goes down, another may go up.

Over time, stocks have generally delivered higher returns than bonds—but with more ups and downs along the way.

Bond vs. Stock Returns Over The Past 10 Years

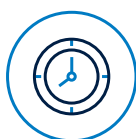
For example, a portfolio invested 100% in the S&P 500—a diversified stock index—returned 14.16% over the past 10 years despite the COVID-19 pandemic, rising inflation, higher interest rates, and other market disruptions. A portfolio diversified across both stocks and bonds—such as a 60% stock / 40% bond allocation—still provided a positive return of 9.32%, while helping reduce overall volatility.



LOWER RISK/ RETURN ← ————— → HIGHER RISK/ RETURN

Source: Morningstar Direct. As of 3/31/2026. Bonds: Bloomberg U.S. Agg Bond TR. Stocks: S&P 500 TR USD. Indexes are unmanaged and are provided for informational purposes only. Investors cannot directly invest in an index.

TIME HORIZON



Time horizon is closely tied to asset allocation. As retirement gets closer, you have less time to recover from market downturns and benefit from long-term investment growth.

That doesn't mean avoiding stocks altogether. But it may mean gradually adjusting your portfolio to reflect your changing goals, risk tolerance, and retirement timeline.

Staying invested and maintaining a diversified portfolio can help you navigate periods of market volatility while continuing to pursue long-term growth.

REBALANCING



Strong market performance can gradually shift your portfolio away from your intended mix of stocks and bonds.

For example, a portfolio that began with a 60% stock / 40% bond allocation may become much more heavily weighted toward stocks after several years of strong stock market returns.

Rebalancing can help bring your portfolio back in line with your target allocation and risk level. While it may require trimming investments that have performed well and adding to those that have lagged, it can help maintain a diversified portfolio over time.

WHICH INVESTMENT APPROACH IS RIGHT FOR YOU?

You generally have two options when choosing how to invest your 401(k):

1 SELECT YOUR OWN 401(K) INVESTMENTS (HANDS-ON)

On the plus side, your 401(k) plan offers a wide range of investment options. But building and managing a diversified portfolio on your own takes time, effort, and confidence in your investment decisions.

2 LET A PROFESSIONAL MANAGE YOUR 401(K) FOR YOU (HANDS-OFF)

Another option is to choose a professionally managed investment solution—like a target date fund (TDF)—that's designed to manage your retirement portfolio for you.

HOW TO DECIDE

Ask yourself:

- Do I have the time to research investments, spread my money across different types of investments, and rebalance those investments over time?
- Do I feel confident making long-term investment decisions—especially during market ups and downs?

- TDFs are professionally managed portfolios that invest in a mix of stocks, bonds, and sometimes cash, based on how far you are from your target retirement date.
- Target date funds typically invest more in stocks when retirement is further away and gradually become more conservative as retirement approaches.
- This gradual shift can help align your portfolio with your changing time horizon and risk tolerance.
- A single TDF provides built-in diversification across many different investments.
- TDFs automatically rebalance over time, helping keep your portfolio aligned with your retirement timeline.



PREPARE FOR WHAT COMES NEXT

Continuing to save, managing risk thoughtfully, and maintaining an investment strategy aligned with your goals can help support a successful transition to retirement. Your employer offers tools, resources, and investment options to help you stay on track.

For more information, visit your retirement plan website or contact your financial professional.

Investment decisions should be based on your individual financial needs, goals, time horizon, and risk tolerance. Asset allocation and diversification do not ensure a profit or protect against loss in declining markets. All investing involves risk, including the possible loss of principal.

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