

Saving more for retirement could cut your tax bill.

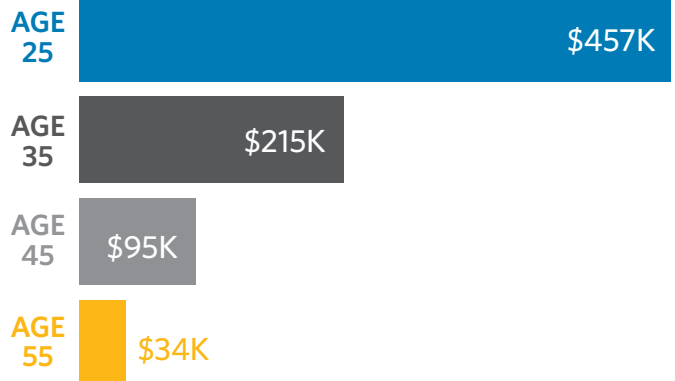


Tax time can be stressful for many people. What can you do now to make filing next year better than this year?

- **If you got a refund**, did you know that it means you overpaid your taxes and gave the government an interest-free loan? The average income tax refund in 2021 was \$2,775.¹ Have you considered what putting those dollars to work within your retirement savings plan could mean for you over time? Think about enrolling in or saving more to CalPERS 457 Plan, which helps you save for retirement while reducing your taxable income. Pay yourself first with the CalPERS 457 Plan!
- **If you owed money**, one way to help change that is to invest more on a pre-tax basis into your CalPERS 457 account. When you invest in the CalPERS 457 Plan, you not only put off paying income taxes on the money you contribute, you may also save money on the taxes you eventually will pay.

Every pre-tax dollar you contribute reduces your taxable income by a dollar. As a result, you'll pay less in your current income taxes for the year, because in the eyes of the IRS, you've been paid less money. This can help reduce the impact to your overall take home income. You'll pay taxes on the contributions in the year the money is distributed, which could mean a lower tax bracket when you're older.

Voluntary pre-tax contributions to the CalPERS 457 Plan could be the tax time strategy you're looking for. Instead of waiting for a refund each year, consider increasing your CalPERS 457 Plan contributions now. When you contribute an additional \$2,000 per year from these ages until retirement, here's how much more it could mean for you in retirement*.



* These examples assume retirement age of 65, annual investment of \$2,000, average annual return of 7% compounding once annually. These assumptions are meant for educational use and not a guarantee of future results.



For more Plan information or to log into your CalPERS 457 account, visit calpers457.com. You can also call **888-713-8244** or visit calpers457.timetap.com to schedule an appointment with your local Account Manager to review your retirement planning and saving strategy or enroll in the CalPERS 457 Plan.

¹ IRS, 2021 Filing Season Statistics, October 2021.