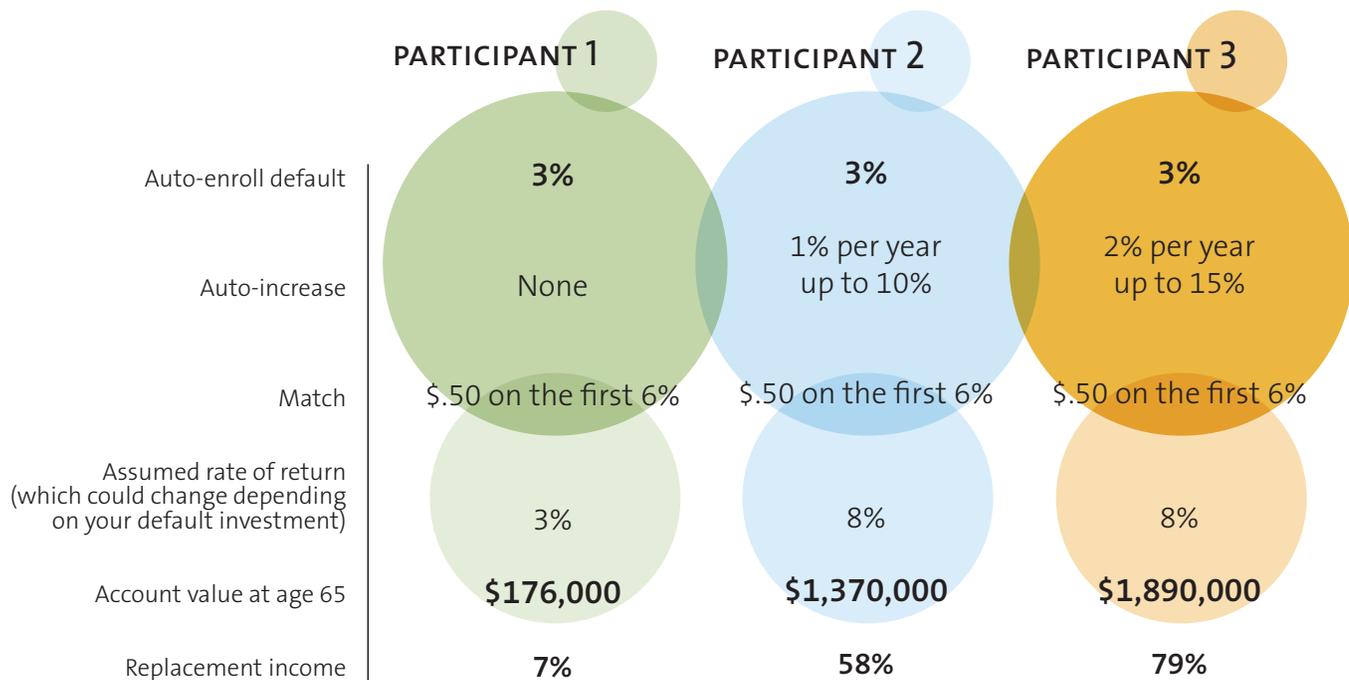


>> Combining Automated Services Can Magnify Impact on Replacement Income

The chart below illustrates the effect of automated services on participants' account balances and eventually, replacement income. All three participants are automatically enrolled, but participant 1 is not placed into an auto-increase program. Participant 1 is automatically invested into a more conservative investment option, and therefore has a lower assumed rate of return. Participants 2 and 3 are automatically invested into a more aggressive investment option, and therefore have a higher assumed rate of return.

When automated services are used in combination, they can have a cumulative effect. For example, the ending account value and replacement income of participant 2 is about eight times greater than that of participant 1. By letting auto-increase go to 15%, participant 3 would have a replacement income of 79%.



Source: T. Rowe Price

This chart is for illustrative purposes only and does not represent a particular investment.

Replacement income is the percentage of an individual's current salary they can expect to receive in retirement based on a prudent withdrawal rate of their retirement plan savings at a certain age.

Assumptions: The starting age for each participant is 25, with a salary of \$30,000. Salary is adjusted annually to anticipate a 3% inflation rate.

We assume an inflation rate of 3% for both salary increases and to calculate the present value of the first year's retirement income. When a participant retires, it assumes their initial withdrawal amount will be 4% of the balance at that time, and would increase each year for inflation.