

# Money Matters

First Quarter, 2011

A quarterly newsletter for retirement plan participants of Union Bank & Trust Company

## It's 2011 - Do You Know What Your Retirement Plan is Doing?

by Jon Read, Financial Education Consultant, Retirement Plan Services

Do you remember the commercial that asked, "It's 10:00pm, do you know where your kids are?" This commercial instilled the importance of monitoring your kids to millions of parents in the 80's and 90's. We can apply this logic to a retirement plan as well. Both kids and your retirement plan need to be monitored to ensure that both are behaving the way you would like them to. When managing your account, use these three strategies to make sure your nest egg grows into the sizeable account you'll need for your retirement years.

### Boost Your Savings!

Contribute an additional 2% to your retirement plan. Thanks to the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the employee portion of Social Security taxes were reduced in 2011 from 6.2% to 4.2%, saving you 2% of income (on income up to \$106,800). Thus, an extra 2% contribution to your retirement account will make little difference between your 2010 paycheck and your 2011 paycheck.

### Protect Your Investment

Choosing the right investment strategy according to your individual risk tolerance and time until retirement is extremely important. Once you choose the appropriate strategy, stick with it. Don't succumb to the doomsday talk in the media when the market goes through a rough patch. Recessions and stock market downturns are part of the economic landscape. Therefore, one of the best strategies is to ride out the downturn and continue to invest. In essence, you will be buying more shares for your dollar when the investments are down at a lower price per share.

### Take Advantage of Company Contributions

Take the time to learn the details of your company's retirement plan. All experts agree you should take advantage of any available contributions your employer makes to the plan. Typically, if a contribution is made by your employer, it will come in the form of a matching contribution. For example, a plan may offer a match of \$.50 for every \$1 you contribute to the plan up to 5% of your compensation.

The thought of free money sounds great, but what does this really mean for your account balance?

Here's an example: if you make \$40,000 per year and had invested 5% (\$2,000) of your income annually over the last 20 years in the S&P 500, you would have \$86,928. If you take into account a company matching contribution (\$.50 for every \$1 you contributed up to 5%) you would have over \$130,750. This means you just turned a total investment of \$40,000 into \$130,750.

### Example 1

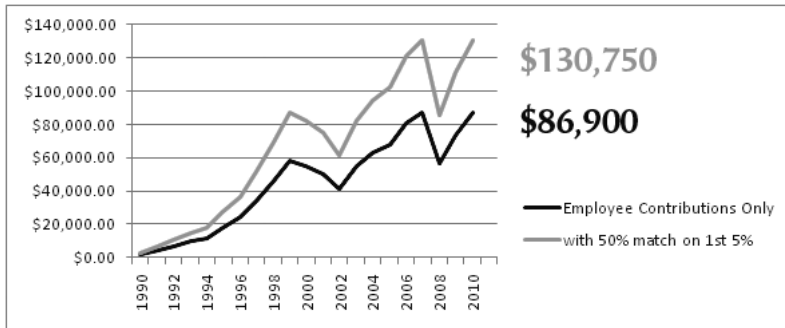
Annual Salary:	\$40,000
Employee Contribution @ 5%:	\$2,000
Employer Match @ 50¢ for every \$1 up to 5%	\$1,000
Total Annual Contribution	\$3,000

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*You Belong Here.™*

## It's 2011, *continued from page 1*



### What you need to do now:

- Increase your current contribution by 2%.
- Choose and stick with an appropriate investment strategy by completing the Investor Questionnaire at [www.ubtrust.com/investor.pdf](http://www.ubtrust.com/investor.pdf).
- Take advantage of company contributions.

If you have questions or would like to speak with a Union Bank & Trust Retirement Plan expert, please call (402) 323-1592.



PODcast

Check out the Podcast library for more information on these topics and more at [www.ubtrust.com](http://www.ubtrust.com)

- What You Need To Know About Retirement
- Developing A Retirement Game Plan
- The Do's And Don'ts Of Retirement Planning
- Common 401(k) Mistakes

## Keep Up With Current Trends & Industry Info

Union Bank & Trust Retirement Plan Services offers a way for you to stay informed about current trends and topics in the retirement industry and the investment marketplace. Each quarter we will host a conference call that all participants and plan sponsors are welcome to listen in on. These short, informative calls will feature the insight of our own staff as they keep you up-to-date on the ever evolving retirement industry.

We invite you to join us for this quarterly conference call featuring an investment overview from the first quarter and participant education highlights.

The presentation will be conducted in a 20-minute call to give you the updates you need so you can go on about your day. We hope that you will be able to attend.



Money Matters is a quarterly newsletter for retirement plan participants of Union Bank & Trust Company. For additional information or if you would like certain topics to be covered in this newsletter, please forward any questions or comments to:

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