

# Why Participate in Your 401(k) Plan?

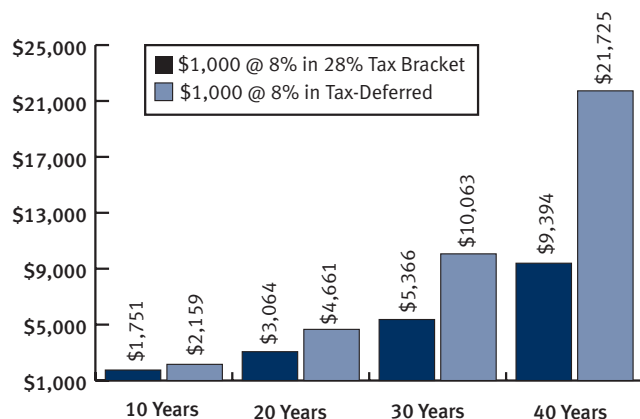
## WHY CONTRIBUTE

When saving for retirement, every dollar counts. The journey from work to retirement isn't made in one giant leap. It takes a lifetime of savings to steadily build your nest egg.

By contributing to your company retirement plan, small contributions today can add up to a significant amount tomorrow. This is due to the advantage of tax-deferred growth. For example, a contribution of \$100 a month to a 401(k) plan can grow to \$58,902 in 20 years, assuming an 8% rate of return. So, a total contribution of \$24,000 turns into \$58,902.

## THE ADVANTAGE OF TAX-DEFERRED GROWTH

Below is a hypothetical illustration comparing the growth of \$1,000 invested in a taxable account and in a tax deferred account, and what those accounts would be worth at various points in time.



*This is for illustrative purposes only and does not represent the performance of any particular investment vehicle. Your return will vary.*



RBC Wealth Management®

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## HOW A 401(k) PLAN WORKS

A 401(k) plan allows participants to make pre-tax contributions through payroll deduction to save for retirement. Most plans will allow participants to contribute up to 100% of their pay not to exceed the IRS limit of \$16,500 for 2010. If the plan provides for catch up contributions, participants age 50 and over may be able to make an additional \$5,500 catch-up contribution for 2010. Additionally, some companies make matching employer contributions and/or profit sharing contributions to employee accounts. In most plans, participants have the opportunity to direct their contributions into a variety of investment choices. In addition to reducing taxable income and allowing tax-deferred growth, a 401(k) plan may offer other benefits such as provisions that allow for hardship withdrawal or loan options. Please refer to your Summary Plan Description to see what is available in your plan.

## HOW RBC WEALTH MANAGEMENT CAN HELP

At RBC Wealth Management, our first priority is to help you achieve your financial and retirement goals. RBC Wealth Management puts your needs first, using a Wealth Management approach to effectively help you meet those goals. We integrate your objectives into thoughtful, effective strategies and solutions.

Your RBC Wealth Management® Financial Consultant will work with you to implement your retirement strategy.

*RBC Wealth Management does not provide tax or legal advice. We will work with your independent tax/legal advisor to help create a plan tailored to your specific needs.*

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