



For Your *Benefit*

A Benefits Newsletter for Ceridian 401(k) Plan Participants

Benefit Choices...

August 2005 Issue

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This issue of For Your Benefit focuses on the opportunities for additional retirement savings—catch-up contributions—that are available to participants in the Ceridian 401(k) plan who are age 50 and older.

Time for a Retirement Check

Your 50s and 60s are a time to celebrate the fullness of life and your achievements to date. Since retirement isn't too far off, it's also a time to review your retirement savings goals and to measure your progress towards reaching them.

If you find that you're falling short, you'll be glad to know that people age 50 and older have a special chance to build their retirement savings. This year you can make an additional catch up contribution of \$4,000 to the Ceridian 401(k) plan, but only if you're already deferring the maximum \$14,000 in regular contributions.

Fill Your Retirement Savings Buckets to the Brim

You have to elect each year to make catch up contributions. Even if you made catch up contributions for 2004, you must go to the **myRetirementPlan** Web site (www.rps.troweprice.com) and elect catch up savings for 2005. Make sure that you're having enough deferred from each paycheck to get the maximum benefit from this opportunity.

Think of your contributions to the Ceridian 401(k) plan as buckets of water that you're filling for your garden to use during a dry spell. You have one large bucket, which represents the \$14,000 you can save as a regular annual contribution in 2005. The smaller bucket represents the \$4,000 catch-up contribution you can make. You'll need to completely fill the large bucket before you can start adding to the small one.



Max Out Your Retirement Savings

Suppose at the beginning of the year you decide to defer \$1,200 of your salary to the Ceridian 401(k) plan each month. You won't reach the maximum amount in your large bucket—the \$14,000 regular contribution limit—until the very last month in the year. With a total of \$14,400 in contributions, you'd have only \$400 to put in your catch up contribution bucket. (\$14,400 total contributions minus the \$14,000 contribution limit equals \$400 left over for catch-up contributions.)

If you start at the beginning of a plan year, deferring just \$100 more each month would fill the large bucket faster and get your catch-up bucket more than 1/3 of the way full by year's end—up to \$1600! (\$15,600 total contributions minus the \$14,000 contribution limit equals \$1600 for catch-up contributions) An extra \$150 per month (\$16,200 total contributions for the year) would push your small bucket savings up to \$2200 (\$16,200 - \$14,000)—past the half way mark to the \$4,000 contribution limit.

Reap the benefits at Retirement Time

Like to save more but aren't sure how to start? Remember that increasing your contributions may not affect your paycheck as much as you think, since your contributions to the Ceridian 401(k) plan are tax-deferred.

Find money by making small changes in your lifestyle. Eat one less take out-meal each week or rent a video instead of going to a movie. Small savings can add up quickly.

Finally, remember that it's important to take advantage of this special savings opportunity now. Keep in mind that current law only allows catch-up contributions for five more years, and it's not guaranteed that the catch-up savings program will be extended in the future.

Nearing Retirement? Help is Available

Nearing Retirement? Help Is Available. If you're planning on retiring within the next five years, take a look T. Rowe Price's brand new Pre-Retirement Checklist. The checklist can help you determine your target retirement income and provide you with specific steps to help you reach that target by your retirement date.

The Pre-Retirement Checklist is broken down among different time periods (five years prior to retirement, one year prior to retirement, and after retirement), and gives you some very specific suggestions on what you can do at each period to make sure that you're financially prepared.

The Pre-Retirement Checklist is available on the **myRetirementPlan** Web site (www.rps.troweprice.com) or on the Ceridian Intranet [[url for Ceridian Intranet here](#)].

Remember!

Remember, you must sign up each year to take advantage of the catch up contribution provision in the Ceridian 401(k) plan.

Just log in to the **myRetirementPlan** Web site at www.rps.troweprice.com and choose "Balance Details and Transactions" at the top of the page. Select "Change Contribution Amount" under the Transactions section.

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