OppenheimerFunds®
The Right Way
to Invest

Five Simple Steps
to a Retirement Plan

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Take a few minutes now and you'll be thankful later

You've got dreams for tomorrow and a busy life today. You've got a career to build, bills to pay and maybe a vacation that is overdue. With all the things you have going on, it can be tough to focus on planning for retirement, especially if it's well into the future.

But good outcomes in life need good planning. And when it comes to retirement, the smart decisions for a great tomorrow are made *today*. So with just a small investment of your time now, we can get you right back to your regular life, confident that you have a plan in place.

The trick is to keep things simple. This brochure will walk you through five simple steps you can take now to make sure you'll be able to pay for the kind of life you want later on.

Still not ready? Don't let these myths hold you back.

Myth	Myth Buster
I don't have time to focus on this.	It doesn't take as much time as you think.
There's no rush. I have plenty of time before I retire.	There's a price for procrastination. You may give up thousands of future dollars for every year you delay saving for retirement.
I don't have enough money to save for retirement now.	You don't need a lot of money. Just a little saved regularly can go a long way. Did you know that saving $100 a month is just $3.33 a day?
Don't I need to be an expert in this? This stuff is complicated.	It can be simple if you start simple. And there are experts who can help you.

Ready? Here we go.

Step
1

Know Your Numbers.
We've all got them.

Yes, planning for retirement involves some numbers. It's important to know the retirement savings number you're shooting for and how much you need to save. Once you have an idea of how much you'll need for retirement to live comfortably, you'll see the importance of getting started sooner rather than later. If you're already saving, you'll know if you're on track or if you need to save more.

So you need to answer two basic questions: How much do I need to retire? And am I saving enough?

How Much Do I Need?

If you are five or more years away from retirement, here is a quick way to find out. Figure you will need roughly 80% of your preretirement income, multiplied by the number of years you expect to spend in retirement.

Once you plug in your preretirement income (this is an estimate of what you think your annual salary might be just prior to retirement, or, to keep things simple, you can use your current salary) you'll have your own retirement savings number. Go to the Retirement section of **oppenheimerfunds.com** to crunch some numbers in more detail with the Retirement Savings Calculator.

Am I Saving Enough?

Don't panic if your retirement savings number comes as a shock. It's important to know where you stand. So let's take a quick look at your most recent investment statements. Simply add up how much you've saved in accounts such as your workplace retirement plan, any Individual Retirement Accounts (IRAs), annuities or any other account you've earmarked for retirement.

If you haven't saved much, well, that's why you're here. There's no time like the present.

Next, you can use online calculators in the Retirement section at **oppenheimerfunds.com** to input numbers such as your age, when you plan to retire, what you've saved so far, an estimated rate of return, the presence of any employer match, and to figure in Social Security or any pension. Running this type of calculation is extremely useful and will let you model different contribution rates and scenarios. If you're like most people, you may find that you need to save more each month to reach your goal.

Step
2

Start now. We'll say it again, start now. You'll thank yourself later.

Starting early means your money will have more time to work for you. You can save conveniently by regularly contributing a part of your paycheck to your workplace retirement plan. Everyone can take advantage of the power of compounding and its "snowball like" effect. In other words, your earnings can generate even more earnings. With compounding you receive interest not only on your original investment, but also on any interest or dividends that accumulate. And if you save for retirement in a tax-deferred vehicle like a 401(k) or an IRA, this money can grow for years free of taxes until you withdraw the money at retirement.

Plus, if you start early you can get away with saving less. If you put it off, you may need to save dramatically when you are older just to catch up.

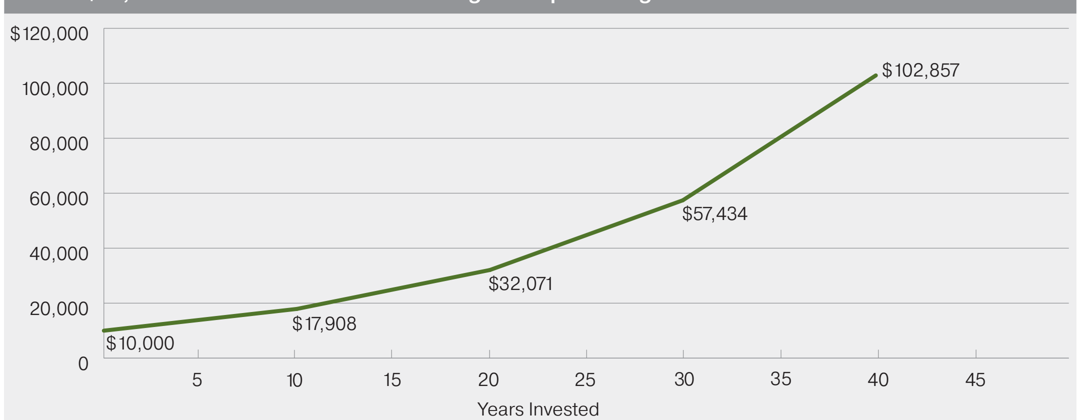
Don't Overlook Healthcare Expenses

Research from the Employee Benefits Research Institute (EBRI) says a man and a woman will need about $116,000 and $131,000 respectively to have a 90% chance of covering all their healthcare costs in retirement.[1]

The Power of Compounding

In the following example, you can see how an initial investment of $10,000 may compound over the years, growing to over $32,000 after 20 years, and to over $100,000 after 40 years, simply through the power of compounding.

How a $10,000 Investment Can Grow Through Compounding



Source: Compound Interest Calculator, The Calculator Site. This hypothetical example assumes a base investment of $10,000 that earns 6% annually, reinvested each year. Taxes or investment expenses are not included. Your own account may earn more or less than this example. This chart is for illustrative purposes only. It is not intended to predict or depict the performance of any Oppenheimer fund for any period of time, or fluctuation in principal value or investment return. At withdrawal, taxes must be paid on the amount withdrawn. The regular investment of money does not assure a profit or protect against losses in declining markets. **Past performance does not guarantee future results.**

1. Source: Banerjee, Sudipto, "Utilization Patterns and Out-of-Pocket Expenses for Different Health Care Services Among American Retirees," EBRI, February, 2015.

Compounding Advantages for Early Savings

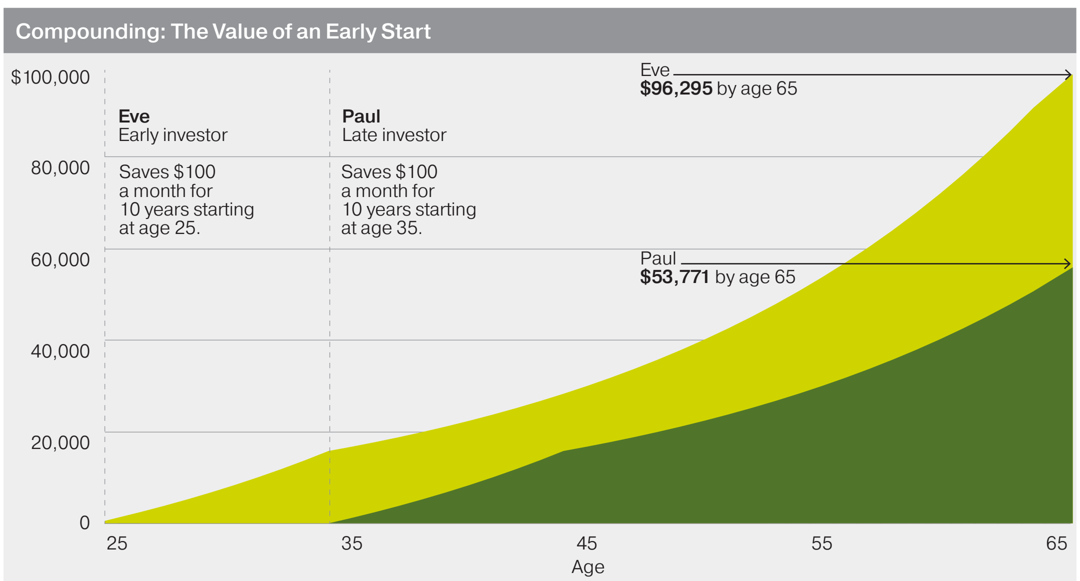
When it comes to saving for retirement, small amounts can add up to significant sums. Time really is money.

Twenty-five-year-old Eve[2] is an early bird saver. She puts $100 a month into her retirement plan every year until she's 35. After contributing $12,000 for those 10 years, though, she never adds another dime.

Paul, on the other hand, is a procrastinator. He doesn't tuck anything away until he's 35. He also saves $100 a month for 10 years, and then doesn't add another dime, totaling $12,000 in contributions.

At an annual return of 6% for both plans, who wins? Despite saving the same amount, Eve maintains a substantial edge—almost 45%—over Paul. Her extra 10 years of compounding substantially pays off in the long run.

When they reach age 65, Eve, the early investor, comes out $42,524 ahead.



This chart assumes a fixed annual rate of return of 6%, on a tax-deferred basis, with earnings reinvested. This hypothetical example is not intended to show the performance of any Oppenheimer fund for any period of time, or fluctuation in principal value or investment return. At withdrawal, taxes must be paid on the amount withdrawn. Periodic investment plans do not ensure a profit or protect against loss in declining markets.

2. The persons portrayed in this example are fictional. This material does not constitute a recommendation as to the suitability of any investment for any person or persons having circumstances similar to those portrayed, and a financial advisor should be consulted.

Traditional or Roth IRA?

- **Traditional IRA:** Contributions may or may not be tax deductible depending on your income level and whether you (and your spouse, if married) are covered by an employer-sponsored retirement plan. Your savings in a Traditional IRA benefit from tax-deferred growth until withdrawn. Anyone under age 70½ with earned income can make a nondeductible contribution.
- **Roth IRA:** With a Roth IRA, you make contributions with after-tax dollars. Your savings grow tax-deferred, and, if certain requirements are met, your investment earnings may be withdrawn tax-free. Any distributions taken from the Roth IRA are tax-free if the Roth IRA is held for at least five years and the individual is age 59½ or older, making a first-time home purchase, is disabled or dies.

To learn more and see if you are eligible, see Traditional IRA vs. Roth IRA at **oppenheimerfunds.com.**

Gain an Edge on Taxes

When you save through a workplace plan, the effect on your take home pay may be less than you think due to the benefits of tax deferral. In deciding how much you want to contribute, remember that you don't pay federal income tax on the portion of your pay you contribute to the plan or any earnings until you withdraw the money. This is very good news, and takes some of the sting out of saving.

Think of it this way: say you are in the 25% federal income tax bracket. For every $100 you save, your taxes are reduced by $25. So your $100 pretax contribution will only "feel" like $75 in terms of what you'll miss from your take-home pay.

When you save in an IRA, you may be able to deduct your contribution, depending on your eligibility. But either way, earnings in an IRA are deferred until you withdraw them at retirement. That alone makes an IRA worth considering

Auto Enrollment —Yes!

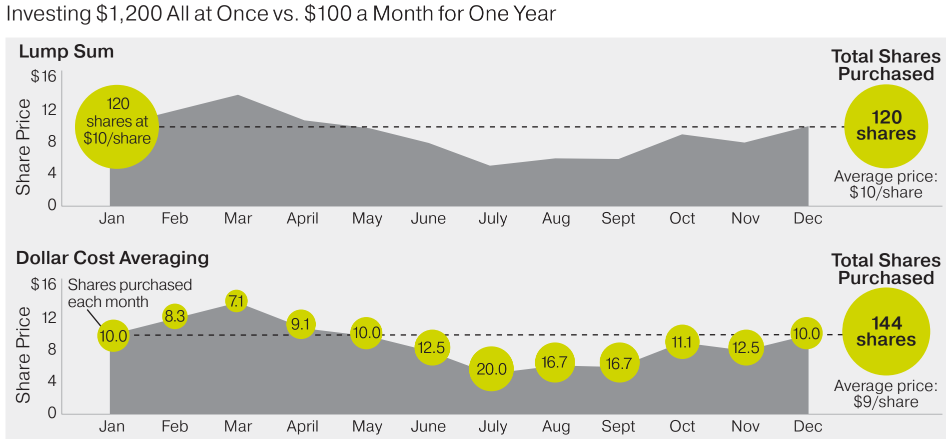
Because of how important saving is to your future, many employers auto-enroll employees into their retirement savings plan when they become eligible for their workplace plan. If so, take advantage of it.

Benefits of Dollar Cost Averaging

Dollar cost averaging is simply the process of investing a specific amount of money in the same security at regular intervals. In doing so, you acquire more shares when prices are down and fewer when prices are up. Though dollar cost averaging doesn't guarantee you'll make a profit—or avoid a loss—it generally lowers your average cost per share while reducing your chances of investing too much at a market peak.[3]

Regular Investing May Smooth the Ride

Investing $1,200 All at Once vs. $100 a Month for One Year



3. Since dollar cost averaging involves continuous investments regardless of price levels of fund shares, investors should consider their financial ability to continue purchases through periods of low price levels. Systematic investment plans do not guarantee profit or protect against losses in declining markets.

Step
3

Bump It Up As You Go.
A little can go a long way.

How much should you contribute? According to the Center for Retirement Research at Boston College, you should aim to contribute 15% of your income towards retirement.[4] It's okay if you can't manage that at first, but try to increase it over time.

Auto Increase—Yes!

Many employers are asking employees to consider an automatic increase program in their employer retirement savings plan (like a 401(k) or 403(b)) to encourage greater savings. With an automatic increase feature, your employer may bump you up a percentage or two each year, until you reach the maximum IRS limit, unless you opt out. Because your contribution comes right out of your paycheck, it's convenient and you may not miss it.

Research has shown that an automatic increase approach can have a profound impact on retirement savings. But if you're not ready to put your contributions on autopilot just yet, that's okay. Bump it up when you're ready. Ideally you should try to save the maximum allowed each year. And when you turn 50, the government lets you save even more.

Get a Boost on Your Bonus

Is a bonus in your future? Reduce taxes and give your retirement savings a boost when you increase your contribution percentage during your bonus payout.

What a Difference 2% Makes

For example, let's say a hypothetical 25-year-old earns $40,000, gets 2% annual raises and contributes 10% of his salary to a 401(k) or similar plan each year. Let's assume he does that over a 40-year career and his investments earn 7% a year. He would end up with a nest egg of just under $740,000. But by increasing his contribution from 10% to 12% of pay each year, at retirement he would have nearly $890,000. That's an extra $150,000.[5] Every bit helps.

Auto IRA Contributions

Setting up automatic investments can help you stay disciplined, and many IRA providers allow you to make regular contributions up to the maximum annual limit ($5,500 for 2015). With automatic investment in an IRA, you can schedule small, periodic increases when you are ready. For example, just $20 a week will add up to over $1,000 in a year.

4. Source: Munnell, Alicia H., Webb, Anthony and Hou, Wenliang, "How Much Should People Save?," Center for Retirement Research, Boston College, July 2014.
5. Source: Updegrave, Walter, "4 Retirement Mistakes That Can Cost you $250,000 or More," Time.com, April 7, 2015.

Step
4

Keep It Simple.
You don't have to be an expert.

Once you decide how much to save, the question becomes: How do I invest my money? Many people get tripped up deciding where to put their money, but the basics of investing are simpler than most people think. It is easier if you consider that your choices boil down to just three things: stocks, bonds and cash, also called short-term investments. How you divide your money among these "asset classes" is known as asset allocation, or your investment mix. Here is how the asset classes compare:

Asset Class	Return	Risk
Stocks (a share in a company)	Tend to generate highest returns	Most volatile
Bonds (a loan, fixed income)	Tend to generate lower returns than stock but greater than cash/short-term investments	Medium volatility
Cash (such as money market funds)	Tend to generate lowest returns	Least volatile

What's Your Mix?

It's worth spending time on your mix of investments before you choose investment options. And your mix should be based on your tolerance for risk and how much time you have until retirement.

For example, if you have a long way until retirement, you may want to have a large percentage of your savings in investments that offer greater potential for return. That's because you have time to ride out short-term fluctuations in the value of your investments. So you may want to consider allocating a larger portion of your investment mix to stocks, which have historically outperformed the other two assets classes over the long term. Past performance is no guarantee of future results.

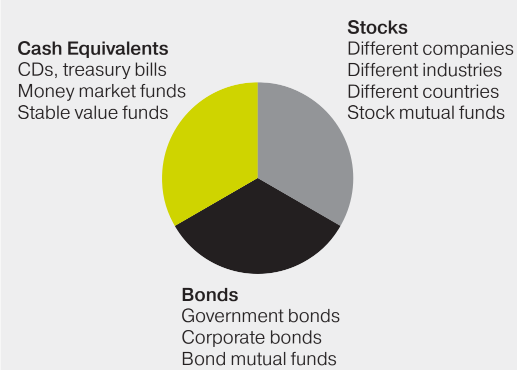
Considering Risk

Any investment mix you are contemplating should factor in risk. While most people think about investment risk, or the chance that your investments may lose value, there are other types of risk in play. Inflation risk, for example, is the possibility that increases in the cost of goods and services will diminish your savings. Conservative types of investments can run high in inflation risk. Another risk is longevity, or the chance you'll outlive your savings. While we all wish for a long life, living longer means you'll need more money to cover your living expenses in retirement.

Diversify to Spread the Risk

How you choose to invest your money within each of the asset classes is called diversification. The old adage of "not putting all your eggs in one basket" means you're helping to protect your savings from market events that may negatively affect one asset class or another. However, it is important to remember that diversification does not guarantee profit or protect against loss in declining markets.

Diversification at Work



Put It All Together with Mutual Funds

Many people find it convenient to invest in mutual funds because they contain a mix of the asset classes in various forms. Mutual funds are exactly what they sound like—they are assets that are pooled together and owned mutually by many people. Often, because mutual funds invest in a wide range of companies, owning a stock mutual fund, for example, provides you with a diversification opportunity. You should consider owning a mutual fund in each of the different asset classes.

Each mutual fund will have a specific investment goal and level of risk. It's smart to review the information provided on the fund's website and prospectus so you can evaluate whether it's a match for your needs. Here are some things to look at when evaluating a fund:

- **Benchmark** — How has the fund performed against its benchmark? Typically this will be an index of similar types of investments, such as the S&P 500 Index for stock funds, the Barclays U.S. Aggregate Bond Index for bond funds, or other types of indices that provide a useful comparison.
- **Independent ratings** — How does Morningstar or Lipper rank the fund you are considering? Independent firms such as these can provide meaningful evaluations of funds and can help you determine whether they have a place in your savings plan.
- **Returns** — While it's tempting to just look at the performance over the past year, look at 5- and 10-year returns to get a sense of how the fund has performed over the long run. Remember saving for retirement is a long-term strategy.

These are just a few ways to narrow down funds. Visit **oppenheimerfunds.com** for more information.

How Many Funds?

In our view, a good rule of thumb is no more than you can properly manage, or between 6–10 funds at most. That many should provide enough choice within each of the different asset classes to both spread your money and accommodate your tolerance for risk.

The asset allocations discussed here are not intended to represent investment advice that is appropriate for all investors. Each investor's portfolio must be constructed based on the individual's financial resources, investment goals, risk tolerance, investing time frame, tax situation and other relevant factors. OppenheimerFunds does not recommend any specific asset allocations. A financial advisor can suggest an asset allocation strategy designed to meet your financial goals, time horizon and risk tolerance.

Step
5

Get Help.
The professionals can lead the way.

When it comes to planning for retirement, the good news is that there is plenty of help available.

Work with a Financial Advisor

It's always a good idea to consult a financial advisor; with the stakes so high, it's wise to work with an expert on this stuff. He or she can go over your personal situation and help you create a plan specifically to meet your goals.

If you don't have a relationship with a financial advisor, here are some ways to find one:

- Certified Financial Planning Board (cfp.net)
- National Association of Personal Financial Advisors (findanadvisor.napfa.org)
- Financial Planning Association (fpanet.org).

Good for You. You're on Your Way.

That's it. You're ready to get on your way. Just remember, even though retirement may be years away, the smart decisions to make it all that you want it to be are made today, in the here and now. You can manage your plan as you go, and make adjustments along the way.

Join the conversation

Join us on Facebook to learn more and see what others are saying.

Learn more

Visit **oppenheimerfunds.com** or call us at **800 783 7783.**

Check the Boxes As You Go

- [ ] Start early.
- [ ] Take advantage of “free” retirement money such as matching employer contributions to your retirement plan at work.
- [ ] Open a Traditional or Roth IRA, especially if you don’t have a workplace retirement plan or are already contributing the maximum.
- [ ] Start an emergency fund to help you avoid raiding your retirement savings if you have a financial emergency.
- [ ] Increase your contributions by 1%–2% per year. Modest amounts like these won’t put a dent in your paycheck. Ask your employer if there is an automatic increase feature in your plan.

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Investments in mutual funds are subject to market risk and volatility. Shares may gain or lose value. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. Systematic investment plans, such as dollar cost averaging, do not guarantee a profit or protect against losses in declining markets. Before investing, investors should evaluate their long-term financial ability to participate in such plans. Diversification does not guarantee profit or protect against loss.

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