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RETIREMENT PARTNERS

EMPLOYEE EDUCATION

Power Up Your Retirement

You don't need to be an expert player to retire comfortably.

In most games, you don't win by playing once. You level up over time, gaining skills and knowledge as you go. Saving for retirement works the same way. The longer you participate, the more your savings may grow.

The basics: What is a 401(k) plan?

A 401(k) plan is a savings account for the future. You choose to put a portion of each paycheck into the plan and invest your savings. Contributions are automatic. Here's how you get started:

1. Choose a 401(k) mode

If you select **traditional** mode:

- Contributions lower your taxable income today.
- Any interest or investment growth is tax-deferred.
- You pay taxes when you take distributions. [1]

If you select **Roth** mode:

- Contributions are taxable today.
- Any interest or investment growth is tax-free.
- Withdrawals are tax-free if certain conditions are met. [2]

If you have a long time to accumulate your savings and/or expect to pay more in taxes in the future, a Roth 401(k) may be a powerful long-term upgrade.

2. Choose an amount

Decide how much to save in the plan.

- Start early in your career.
- Aim to save 10% to 15% of pay.
- Make catch-up contributions if you get a late start.

3. Invest your savings

Your plan offers a menu of investment choices. If you're not confident investing, a target-date fund, which is a diversified portfolio that adjusts as retirement age nears, may be a sound choice.

1 If you take a distribution before age 59 ½, you may pay a tax penalty.

2 Distributions may be tax-free as long as you are age 59 ½ and have held the account for at least five years.

Target-date funds are designed to automatically adjust asset allocation over time, becoming more conservative as the target retirement date approaches—this strategy is known as the fund's "glide path". However, there is no guarantee that these funds will meet their objective of providing adequate retirement income.

Pro Tips

Matching contributions	Some employers match contributions. This free money can accelerate progress. Contribute enough to get the full match, but don't stop there: aim for 10–15% deferral.
Compound growth	Any time your savings grow, that invested money has the potential to grow too. The longer you participate, the more your money may grow.
Plan loans	Think carefully before taking one. Loans can be costly. You have less invested for growth, and job changes can trigger early repayment.
Cryptocurrency	Cryptocurrency is a high-risk side quest. Some plans offer it and some don't. Just be sure that any investment chosen aligns with your financial goals.
Market volatility	Financial markets will move up and down, which causes the value of your investments to fluctuate. Sometimes, you will lose a level or two. Stay focused on your goal.

Level up by having a conversation with an advisor

Early career: Talk with an advisor about plan benefits, investment options, and financial priorities.

Mid-career: Talk with an advisor about changing financial priorities, windfalls or inheritance, and annual financial reviews.

Pre-retirement: Talk with an advisor about retirement strategies, including catch-up contributions, tax planning, required withdrawals, and retirement income.

The reward of saving for retirement is greater freedom to choose when to retire and how to live during retirement. If you have questions, join the next education session or schedule a 1-on-1 meeting.

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