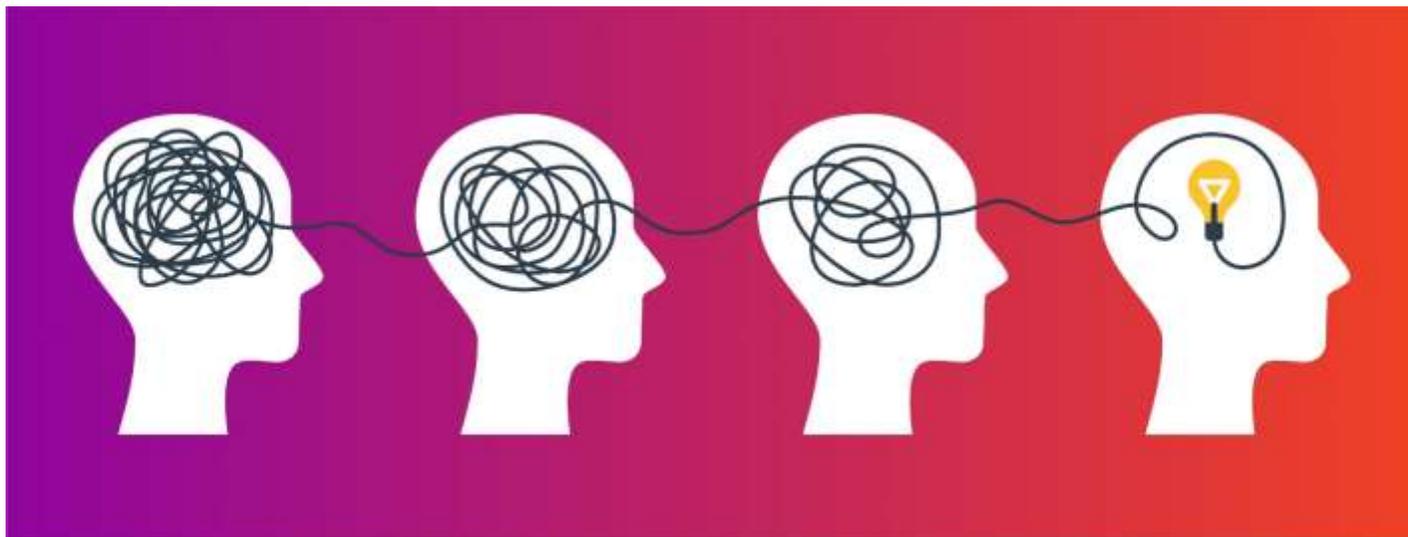


Ten Things to Know About Your Employer's Retirement Plan



1. What it is?

Your employer's retirement plan is a defined contribution plan designed to help you finance your retirement. Federal and sometimes state taxes on your contributions and investment earnings are deferred until you receive a distribution from the plan (typically at retirement).

2. Why do they call it a 401(k)?

The 401(k) plan was born over 40 years ago, under Section 401(k) of the Internal Revenue Code, hence, 401(k).

3. You decide

You decide how much to contribute and how to allocate your investments. This gives you the advantages of easy diversification – a well balanced mix of investment choices, and dollar-cost averaging by making regular investments over time.

4. It's easy

You contribute your pre-tax dollars and lower your taxable income by making automatic payroll deductions. It's a simple method of disciplined saving!

5. Know your limits

In 2022 you can save up to \$20,500 of your pre-tax dollars. If you are age 50 or older, you can save an additional \$6,500.

6. Incentives

It's tax-deferred to contribute to your retirement plan! Also, many employers will match some of your contributions. This is FREE money and a great incentive to contribute to your plan. Does your company offer early retirement incentives (ERI)? Check with your Human Resources department!

7. Vesting

Should your employer make a matching contribution; vesting refers to the percent of your employer contributions that you have the right to take with you when you leave the company.

8. Borrowing

Some plans allow you to borrow a percentage of your account value. Keep in mind that you have to make regular payments plus interest on the loan.

9. Early withdrawals

You may be able to take a distribution before you retire, for instance for certain emergencies (hardships). Understand that it may have a 10% early penalty in terms of Federal and/or state income taxes. While this may be good for emergency situations, your retirement plan is a retirement savings fund, not meant to be a rainy-day fund!

10. Leaving the company

When you leave your job, you can rollover your retirement plan savings to either an individual retirement account or a new employer's retirement plan. This way, you stay on track for your retirement savings goals, without having to start over each time you change jobs.

For more information regarding your retirement plan, please contact Fiduciary Plan Partners at (908) 233-8100 Option 2 or info@fiduciarypp.com

Using diversification as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss of principal due to changing market conditions.

Dollar cost averaging does not assure a profit and does not protect against a loss in declining markets. This strategy involves continuous investing; you should consider your financial ability to continue purchases no matter how prices fluctuate.

Prior to rolling over, consider your other options. You may also be able to leave money in your current plan, withdraw cash or roll over the assets to your new employer's plan if one is available and rollovers are permitted. Compare the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions, other plan features, and tax treatment. Speak with your advisor regarding your situation.

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