

## Financial Wellness 101: How Much Do You Know About Your Retirement Plan?

### Retirement Plan Facts

Your employer provides you with a retirement plan for you to save money in, tax-deferred, for the day you bid your career farewell and enter into retirement. It's important for you to know the facts about your plan, so you can maximize its saving potential. Here are essentials to know about your retirement plan:

**What is it?** A defined contribution plan designed to help you finance your retirement. As a participant in the plan, you own an individual account within the plan that you contribute money to for your retirement.

**What are the limits?** For the year 2021, you can contribute a total of \$19,500 towards your retirement plan. Individuals age 50 and over can contribute an additional \$6,500.

**Salary deferral advantages.** By participating in the plan, you receive the benefit of saving via payroll deduction on a tax-deferred basis. Tax deferral on both savings and asset growth via payroll deduction helps you save more money and pay less tax upon distribution at retirement.

**Tax-deferred growth.** Not being taxed on the growth of your assets helps accumulations during your working years. With your qualified retirement savings plan, you not only defer taxes on the amount you save, but earnings on your savings is also tax deferred until distribution.

**Employer contributions.** If offered, they help you accumulate assets for retirement and can add considerably to your retirement account balance. You are also not taxed on your employer's contributions until distribution.

**Portability.** If you change employers at some point in your career, you typically can keep your assets in the current plan, roll your assets over to your new employer's plan or roll your assets into an IRA.

**Park Capital Management** Financial Advisors are available to help address any questions you may have related to your retirement plan or any general financial related questions. *We are available over the phone and are also able to set up video conference meetings if preferred.*

For more information on retirement tips, or to schedule a meeting with a Certified Financial Planner™ on our team, please contact your plan advisors John Friar or Emma Mueller with Park Capital Management at 608-252-9608 or [emueller@parkcapitalmgt.com](mailto:emueller@parkcapitalmgt.com).



This example is hypothetical and does not represent the performance of any fund. Regular investing does not guarantee a profit or protect against a loss in a declining market. Past performance does not guarantee future results. Initial tax savings on contributions and earnings are deferred until distribution. You should evaluate your ability to continue saving in the event of a prolonged market decline, unexpected expenses, or an unforeseeable emergency.

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