Good Hands℠ **Retirement**

Plan

Three Things You May Not Know About Your 401(k)

If you participate in your employer's 401(k) retirement plan, you know about the tax advantages it provides. However, there also are some other valuable features you may *not* know about.

It's Your Money

The money you contribute to your retirement plan belongs to you and immediately goes to work on your behalf. Any contributions your employer makes (and related earnings) become yours, too — but it may take some time. This is known as "vesting." Different plans use different vesting schedules. You can find out about your plan's vesting schedule in your Summary Plan Description.

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Here's an example: With a "graded" vesting schedule, you might become 20% vested after two years of employment. After three years, the vesting percentage might increase to 40%, and so on until you become 100% vested. Once you are fully vested, you won't have to forfeit any of your plan balance if you terminate employment.

It's Portable

If you leave your employer, you may be eligible to receive a distribution of your vested plan benefits. Recent changes in the tax law have made it much easier for you to keep your retirement savings growing in a tax-advantaged way when you change jobs. You can:

- Roll over the money into your new employer's plan (if it accepts rollovers),
- Roll over the money into an individual retirement account (IRA), or
- Leave the money in your current employer's plan, if permitted.

You Can Pass It On

Your retirement account can become part of the legacy you leave to your family. If you're married, the law generally says the money in your account must go to your spouse when you die. However, if your spouse gives written permission, you can leave the money to someone else. If you're single, divorced, or widowed, you can leave your plan assets to whomever you name on your beneficiary designation form.

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