



## 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.

This material was created to provide accurate and reliable information on the subjects covered but should not be regarded as a complete analysis of these subjects. It is not intended to provide specific legal, tax or other professional advice. The services of an appropriate professional should be sought regarding your individual situation.

Registered Representative, Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC to residents of CA, FL, IA, IL, IN, MN, MO, NM, OH, TX, WI. Investment Advisor Representative, Cambridge Investment Research Advisors, Inc. a Registered Investment Adviser. Cambridge and Spay & Associates are not affiliated. 4007 E. 53<sup>rd</sup> St. Ste. 300, Davenport, IA 52807.  
ACR#3366044 12/20

For more information on your retirement plan, please call our financial professional, SPAY & Associates at 563-326-0960 or email at [mipay@spayandassociates.com](mailto:mipay@spayandassociates.com).

A Proud Member of

