4 SIMPLE STEPS TO RETIREMENT SAVINGS

Your 401k Enrollment Guide

TRUSTPOINT

A trusted advisor
for more than a century

Founded in 1913, Trust Point has headquarters in La Crosse, WI, and full-service offices in Eau Claire, WI and Minneapolis, MN. Our services are offered to clients nationwide.

Our professional staff includes attorneys, accountants, financial planners, Certified Retirement Plan Professionals (CRPP™), investment advisors/analysts, and administrative experts who all share a common goal: to serve your financial objectives.

At Trust Point, we understand that your success is hard-earned. We will listen to your trust, investment, financial planning, or employee retirement needs and help you formulate a plan.

Upholding **your trust**

YOUR 401(k) ENROLLMENT GUIDE

What's Inside

4 SIMPLE STEPS

FIND ANSWERS

TRUSTPOINT

Keeping
your values

"In doing what is best for our clients,

we will be doing what is best for Trust Point."

Our Philosophy Since 1913

step 1

How much should you save?

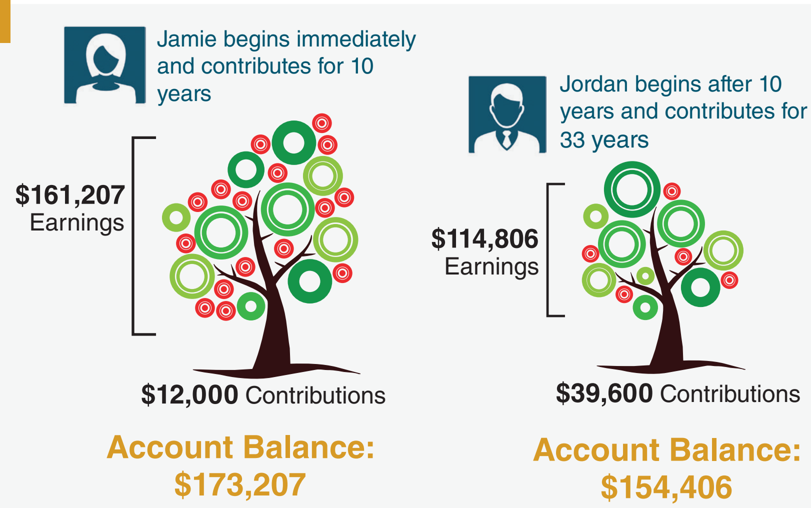
Retirement may seem a long way off, but making the decision to invest in your 401(k) plan as soon as possible has long-lasting effects. Whether you start by saving 5%, 10%, or 15%, the important thing is to begin as soon as possible. Why?

- **Social Security is not a retirement plan.** Social Security alone does not provide enough money for us to retire. In fact, it is expected to account for only a third of our income in retirement. Our personal retirement savings needs to make up the difference.
- **The retirement landscape has changed**, putting you in the driver's seat. Pensions are no longer the main source of income for retirees. Most people need to take responsibility for their own retirement by setting aside money into 401(k)s, IRAs, and other tax-deferred savings vehicles.
- **People may spend 20 or more years in retirement.** Healthier lifestyles and access to quality healthcare means we may live longer than in the past. As such, we need to plan for an extended lifespan.
- **Inflation means higher prices.** Historically, inflation has been 3-4% each year. To meet the increasing costs of consumer goods and social services, we will need the necessary resources.

The earlier you start, the better

***When* you start saving has a significant impact on your account balance at retirement—almost as much as *how much* you contribute.**

Consider this: Jamie and Jordan are both 22 when they begin working. Jamie begins saving for retirement immediately, putting away $100 per month until age 32. Jordan does not begin retirement contributions until age 32, contributing $100 per month until retirement at 65. For Jamie, starting savings at age 22 paid off — the account grew $18,801 more than Jordan's, while total contributions were $27,600 less.



** This example assumes an 7% annual rate of return compounded monthly on investments. Results may vary. Saving systematically does not guarantee profits or loss.*

SAVE FOR YOUR FUTURE – GET STARTED TODAY!

Your retirement plan makes saving easy. The money you contribute is automatically deducted from your paycheck. All you have to do is think about how much you want to save toward retirement each payroll. **Financial experts agree that you should set aside 10-15% of your salary.** The important thing is to start somewhere. If your company offers a match, be sure to take that amount into consideration.

No matter what you decide to contribute today, you can change your deferral in the future. **Consider increasing the amount annually by 1% to 2%.** The best times to increase are when you receive a wage or cost of living increase or pay off a loan or mortgage—so you don't feel the impact as much in your budget.

Challenge yourself to save a little more. No one has ever reached retirement and said, "I wish I had less!" The extra money put in today could make a big difference in helping you achieve your retirement dreams.

HOW MUCH WILL YOU CONTRIBUTE?

For every $10,000 you earn annually, your paycheck will be impacted as follows:

DEFERRAL	BI-WEEKLY
5%	**$19.23**
10%	**$38.46**
15%	**$57.69**

KNOW YOUR LIMITS

By law, your deferrals are subject to annual limits. These limits do not include employer contributions. For people age 50 and older, the limit is higher than for those younger than 50 to allow for "catch up" contributions. To find out the current limits, email retirementplanservices@trustpointinc.com.

FIND WAYS TO SAVE

	Coffee Shop	2 Movie Tickets	Lunch Out	Cable/Streaming Service
Bi-weekly cost	$10	$20	$30	$40
Monthly cost	$20	$40	$60	$80
ANNUAL COST	**$240**	**$480**	**$720**	**$960**
INVESTED bi-weekly for 30 years	**$30,571**	**$61,143**	**$91,714**	**$122,286**

** These examples are based on current average estimates and assume monthly contributions into a retirement savings plan with an 8% annual rate of return compounded monthly.*

step 1 I will save _________ % each pay period.

step 2

How would you like your contributions to be taxed?

There are two types of savings vehicles available in most 401(k) plans: Pre-tax (Traditional) and Roth.

PRE-TAX (TRADITIONAL) 401(K)

The money you save in a Pre-tax 401(k) has the least impact on your paycheck. Since the money goes into your account before taxes are calculated, you pay less tax on the amount that remains. However, when you take the money out at retirement, your contributions and earnings are taxable.

ROTH 401(K)

If your plan offers a Roth 401(k) option, understanding the difference is important. Contributions to a Roth 401(k) are taxed as you make them, which is why Roth contributions have more of an impact on your paycheck now. However, when you take the money out at retirement or for a qualified distribution, since you paid taxes on your deferrals as you made them, you do not have to pay taxes on the contributions or your earnings.

Keep in mind…

You are making the decision to choose Pre-tax (Traditional) or Roth for your own contributions only. If your company offers a match or profit-sharing contribution, those funds are Pre-tax dollars. Company contributions and their earnings will be taxable at the time of withdrawal.

SAVER'S TAX CREDIT

The federal government offers a tax credit for low-to-moderate income earners who save for retirement. The amount of the credit depends upon your adjusted gross income—whether you decide to contribute to a Pre-tax (Traditional) or a Roth 401(k). The credit applies only as a reduction to income tax liability.

WHICH IS RIGHT FOR YOU?

Some factors to consider when making your choice are:

- **Your age and your time horizon until retirement.** Generally, the longer your money remains in a Roth 401(k), the longer that money can grow tax-free and offset the upfront taxes you pay. Yet, there may still be benefits for you in a Roth even if retirement is near. Keep in mind that you must be 59 ½ and have had your money in the Roth for a minimum of five years from the point of your first contribution to be able to withdraw your earnings tax and penalty-free.
- **Your current income tax-bracket and your anticipated bracket in retirement.** Some experts say if you think you'll be in a lower tax bracket when you retire, you might want to contribute to a Pre-tax (Traditional) 401(k). If you think you'll be in a higher tax bracket when you retire, you might want to contribute to a Roth 401(k). However, you'll need to consider the amount of your contribution vs. the amount of earnings when you make this decision. See the "Let's consider" example below.
- **Whether or not you want to leave tax-free money to beneficiaries.** Contributing money to a Roth 401(k) allows your money to grow tax-free.

If you are unsure which option is right for you, please consult with your accountant or tax preparer.

LET'S CONSIDER...

Let's take a closer look at how a Pre-tax (Traditional) or Roth contribution would affect Jamie's paychecks and retirement savings.

JAMIE
Defers money from ages 22–65

Contributes to	Roth	Pre-tax (Traditional)
Salary	$30,000	$30,000
Deferral %	4% ($46.15 bi-weekly)	4% ($46.15 bi-weekly)
Tax Savings	None	$10.17 bi-weekly
Bi-Weekly Pay	$826.07	$836.24
Savings at retirement	**$411,320 (non-taxable)**	**$411,320 (taxable)**

** Example assumes an 8% annual rate of return and 0 exemptions.*

step 2 I will invest in ☐ Pre-tax/Traditional ☐ Roth ☐ Both

step 3

What funds will you invest in?

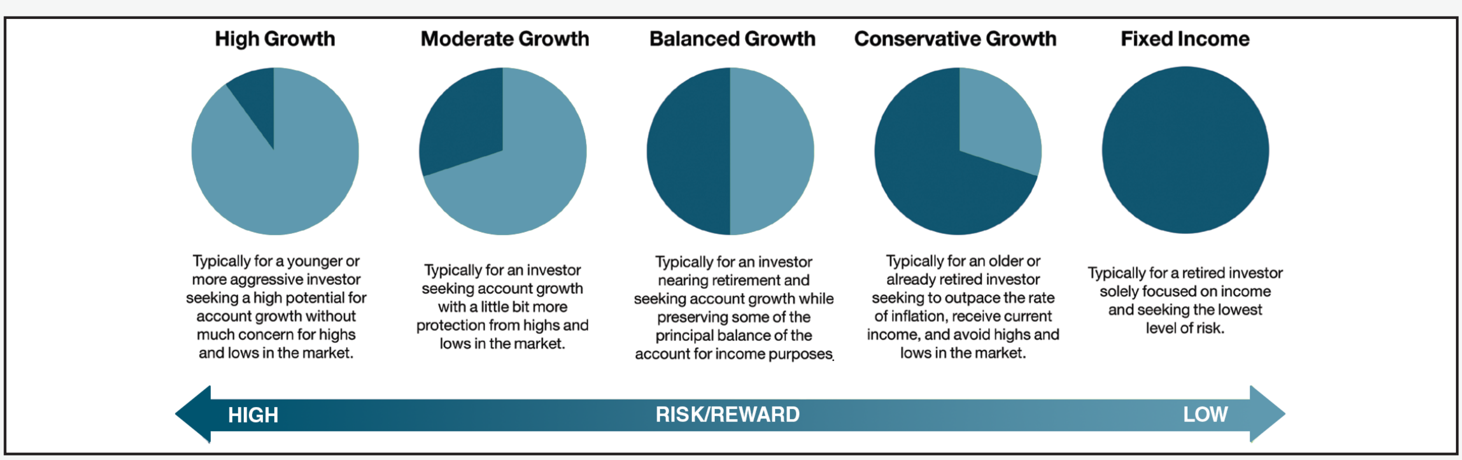
Your 401(k) plan is a "self-directed" retirement account, so it is your responsibility to decide how to invest your money. Each contribution you or your employer makes into your 401(k) plan is invested in mutual funds. For many, the thought of being responsible for investment decisions is stressful—but it doesn't have to be. Trust Point has simplified the process for you by creating two separate paths to successful investing:

PATH 1

Choose a Single Profile

(for those wanting a simpler option)

Trust Point has created **5 Profile Funds** that are designed to be age and risk tolerance based. If you choose to invest in a Profile Fund, you would put 100% of your assets in 1 of the 5 profiles. Each Profile Fund is actively managed by Trust Point's Investment Team and consists of 10 to 25+ mutual funds designed to provide you with different levels of risk and return.



IF YOU ARE NEW TO INVESTING

or do not have time to stay on top of current economic and market trends, this may be the option for you.

PATH
2

Create Your Own Portfolio

(for the experienced and involved investor)

Your employer has worked with Trust Point to select both actively and passively managed **individual mutual fund options** across a variety of asset classes. From these individual options, you can create your own portfolio. You also have the option to set up automatic rebalancing online so that your portfolio remains within your chosen range of risk tolerance.

IF YOU ARE A SEASONED INVESTOR who understands and gets excited about terms like "active vs. passive management," "rebalancing," and "asset classes," this may be the option for you.

Regardless of the path you embark on, keep the following basic investment concepts in mind:

TIME HORIZON – How long do you have until retirement?

- **Just getting started in your career?** You can likely take more risks with your investments as your account still has a long time to grow—a higher percentage of stock may be more appropriate. Consider the High Growth or Moderate Growth profile or individual mutual funds from the equities list.

- **Closer to retirement?** You are likely more interested in preserving what you have built. You may want to start de-risking your portfolio by looking into options such as the Balanced Growth, Conservative Growth, or Fixed Income Profile or individual mutual funds from the fixed income list.

LONG-TERM INVESTING – Are you an emotional investor?

- During the past 20 years, the average investor received a 2.5% rate of return while a Balanced Growth Profile investor received an average 8.7% return. Why the difference? The average investor makes emotional investment decisions and is likely to panic and sell when the value of their account drops. However, you will get the best returns if you pick your investments and stick with them until your life circumstances, as opposed to market factors, dictate an investment change.

RISK TOLERANCE – Can you tolerate ups and downs in the market?

- In general, stocks are considered riskier than bonds, so the more stock exposure you have in your portfolio, the more risk you are taking. With that said, there is a direct correlation between risk and reward—and the greater the level of risk, the greater the potential reward. The questionnaire at the end of this booklet can help you assess your personal risk tolerance to choose the best Profile Fund or combination of stocks and bonds for you.

step 3 I choose to ☐ Invest in a Single Profile ☐ Create my own portfolio

step 4

Who will be your beneficiary?

It's important to let Trust Point know who should get your money in the event of your death. You may designate one or more person(s), trust(s), or organization(s) as your beneficiary. It does not have to be a family member. The total sum will be split equally among your named beneficiaries unless otherwise designated. You will need to designate Primary and Contingent Beneficiaries.

PRIMARY BENEFICIARY

The person(s), trust(s), or organization(s) who would receive your money first.

Note: Federal law states that your spouse must be named as your primary beneficiary unless they waive their right to your retirement account. If you are married and NOT naming your spouse as your primary beneficiary, your spouse must appear before a Notary to sign the form consenting to your designation of another primary beneficiary.

CONTINGENT BENEFICIARY

What happens if I don't designate a beneficiary or my beneficiary has died before me?

In this case, the death benefit would be paid in the following order of priority:

1. Your surviving spouse
2. Your children, including adopted children, in equal shares. If a child is no longer living, that child's shares will be distributed to that child's heirs
3. Your surviving parents, in equal shares
4. Your estate

Remember: Always keep your beneficiary information up-to-date!

Your 401(k) Beneficiary Designation overrides a will or revocable trust. This choice controls disposition of your account at death regardless of any other provisions you have made. Since this designation should be prepared with the same degree of care as your will, power of attorney, or other important documents, you may wish to consult your attorney or other advisors about it.

step 4

My primary beneficiary(ies) will be ______________________

My contingent beneficiary(ies) will be ______________________

Rollovers
A Choice to Simplify

find
answers

If you want to keep your retirement savings growing, a rollover might be right for you. If you have money invested in a 401(k), IRA, or other qualified plan from a previous employer, you might want to consider rolling it over into your new plan. There are many benefits to consolidating your accounts, including:

- **Low-cost investment options.** With Trust Point, the funds offered in your retirement plan are low-cost institutional funds. These have lower expenses than the funds typically available through financial advisors.
- **No commissions or sales charges.** Your Trust Point plan consists of "no-load" funds. That means you are not paying a commission to purchase these funds, and you do not pay transaction fees when you make changes to your account. Trust Point's independence and objectivity eliminate possible conflicts between our clients' interests and our own. We are not affiliated with any insurance company, bank, brokerage house, or mutual fund company. We do not have "products" to sell you, nor do we have an agenda aside from serving your best interests.
- **Additional protection.** Funds in a 401(k) account are protected by federal law. That means they are usually not accessible to creditors.
- **Simplicity.** Having your funds in one place, with your current employer, makes it easier to keep tabs on your investments. There is just one statement to review and one account to manage, providing a consistent approach to retirement planning. You will have 24/7 access to your account via Trust Point's website and, of course, our retirement professionals can assist you along the way.

Please note that by law Roth IRAs cannot be rolled into a 401(k).

Looking for more rollover options? Learn more at www.emerj360.com.*

*Emerj360 is a division of Trust Point

ROLLOVERS ARE EASY

If you decide a rollover is right for you, please complete the following steps:

1. **Call your current provider and request a Direct Rollover to your new 401(k) account.**
   Your provider will do one of the following:

   - **Handle your request by phone**—asking you to provide a few details about your existing plan and your new plan.
   - **Ask you to complete their rollover/distribution form.** If you need assistance completing this form, please contact your Trust Point Retirement Plan Services Team.
   - **Request a Letter of Acceptance from your new plan.** To request a letter of acceptance, please contact your Trust Point Retirement Plan Services Team.

2. **Tell your current provider where to send the funds.**
   Make checks payable to:
   [Your 401(k) Plan Name], FBO: [your name]

   Mail to:
   Trust Point Inc.
   230 Front Street N.
   La Crosse, WI 54601

What can you rollover?

Funds from:
Traditional 401(k)
Roth 401(k)
403(b)
457 Plans
SIMPLE IRA *(if open for at least two years)*
SEP IRA
Traditional IRA
Other qualified plans

3. **Complete the Trust Point Direct Rollover Certification Form.**
   Return the completed form to Trust Point by email, mail or fax.

   Email: retirementplanservices@trustpointinc.com
   Fax: 608-784-3880
   Mail: Trust Point Inc. | 230 Front Street N. | La Crosse, WI 54601

   If you have questions or need assistance along the way, please contact your Trust Point Retirement Plan Services Team at 1-800-458-9111.

"Every step of the way, Trust Point advisors are there to offer guidance."

Frequently
Asked Questions

find
answers

What do I do if I forget my login information?

- **Forgot your Username or Password?** There is a link on the login page where you can request a Username/Password reminder. You will be asked to enter your Social Security Number followed by a security verification question. *Please note: The system can only send a reminder if you have entered a valid email address in your personal profile information online.*
- **Reset web access:** If you get locked out or the password reminder system does not work, please contact your Retirement Plan Services Team at 1-800-458-9111 to have your login reset. The default login is your Social Security Number with no dashes as the Username. The default Password is the last four digits of your Social Security Number.

How often can I make investment changes?

You can make changes at any time.

How do I sign up to receive eStatements from Trust Point?

- You can sign up to receive electronic statements after you have received your first quarterly statement by mail.
- When you log into your account online, select "eStatements" from the toolbar.
- An email message will alert you when new statements are available for viewing.
- The most recent four quarterly statements will be archived on the website.

What happens to my money if I leave my current job and find a new employer?

The money in your 401(k) is portable. Your contributions and earnings on your contributions are yours, and you can take it with you if you leave employment. If you have an employer match or profit-sharing component, you may not be entitled to the full balance if you have not satisfied the vesting/plans requirements. Upon leaving employment, your options are:

- **Leave it.** If you have $7,000 or more, you can choose to leave the money in your account. It will continue to be invested tax-deferred, and you will still be able to access your account online.
- **Rollover.** You can roll the money in your account into an IRA or another company's 401(k) or qualified retirement plan.
- **Cash out.** Though a possibility, this option does not let your money continue to grow for retirement. What's more, you may pay 30-40% of the amount in taxes and early withdrawal penalties.

getting started

Enroll
With 4 Simple Steps

step 1	I will save _________ % each pay period.
step 2	I will invest in ☐ Pre-tax/Traditional ☐ Roth ☐ Both
step 3	I choose to ☐ Invest in a Profile ☐ Create my own portfolio
step 4	My primary beneficiary(ies) will be ________________________ My contingent beneficiary(ies) will be ________________________

***Online enrollment:** If your plan offers online enrollment, visit www.trustpointinc.com and follow the enrollment guide in the back of this booklet to complete the 4 Simple Steps to Online Enrollment.

Paper Enrollment: If your plan offers paper enrollment, please complete the forms in the back of this booklet and return them to your Plan Administrator, including:

- Salary Reduction Agreement (Steps 1 & 2)
- Investment Election Form (Step 3)
- Beneficiary Designation Form (Step 4)
- Declaration of Compliance

***Note: The Declaration of Compliance form in the back of this booklet must be completed and returned to your Plan Administrator regardless of whether you elect to participate in the plan or not.**

Have Questions about Retirement?

Get answers with **Emerj360**, a division of Trust Point.

Visit **emerj360.com** for resources on rollovers, social security, education expenses, budgeting, and more!

EMERJ 360

a division of TRUSTPOINT

Our Mission

To preserve and increase your wealth, in a manner that serves your values, now and for generations to come.

Questions?

Contact a member of the Retirement Plan Services Team

TrustPoint

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