Save for your future

A guide to your New York Life 401(k) Savings Plan

START NOW

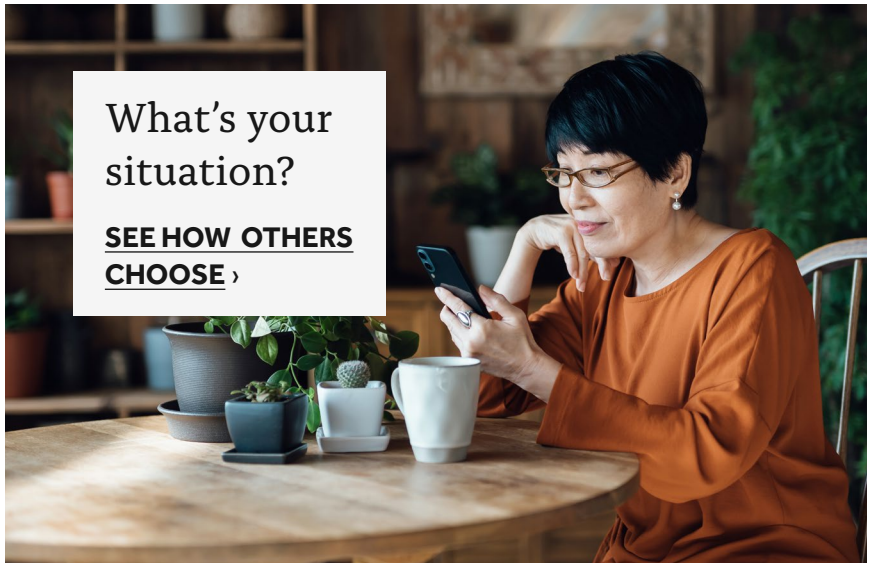


Your contribution choices

CONSIDER YOUR OPTIONS ›

It pays to save

LEARN ABOUT MATCHING CONTRIBUTIONS ›



What's your situation?

SEE HOW OTHERS CHOOSE ›

Resources

GET SUPPORT ›

Put the 401(k) Savings Plan to work for your future

No matter what your financial goals, the 401(k) Savings Plan can play an important role in helping you achieve them. It's up to you to set the wheels in motion and stay on course.

New York Life is here to help. We provide the tools to help you plan and save for a more secure financial future—and when you contribute to your 401(k), we give your savings an instant boost with matching contributions.

Review this eGuide to see how the features of the 401(k) Savings Plan can help you get the most value from your financial strategy.



Learn about the Roth 401(k) option

The plan offers a tax-advantaged Roth contribution feature as yet another tool to help you save for your retirement. You'll need to decide if it's right for you.

Learn more now ›

In this guide

Getting started

What's your reason for saving? 4

Using the plan

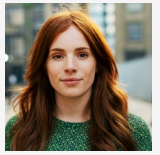
The 401(k) Savings Plan: A quick refresher 5
How pre-tax contributions work 12
How after-tax contributions work 14
How Roth contributions work 17
Make up time with catch-up contributions 21
Compare your contribution options 23

Things to think about

Considering Roth? 25
Think outside the plan 30

What would you do?

How others make the most of their retirement and savings plans 32


Kim


Ed


Ty


Connie

About this guide

It's easy to find what you need in this interactive guide. You can read it front to back or use the blue links to jump directly to the information you want. Additionally, frequently used terms throughout are found at the "Definitions" link below. This guide is fast and easy to use online, but you can print it if you'd like.

What's your reason for saving?

The reasons for saving are as unique as you are. Whether it's buying a new home, improving the one you have, paying for college, or securing your retirement—whatever your goal, there are many ways to make it happen.

"My interest lies in the future, because I am going to spend the rest of my life there."

– Charles F. Kettering, American Inventor



Think about this:

Depending on when you retire, you may need income for 30 or more years after you stop working. That can add up to a lot of money.

It's up to you.

If you have a short-term savings goal—a down payment on a house, for example—your savings strategy will be different than if you're planning for retirement.

Unfortunately, short-term goals can often crowd out a long-term objective like saving for the future, especially if retirement is many years away. Even though retirement income is the most important long-term goal for most people, some wait until they're close to retirement to consider their post-employment finances—and wind up disappointed in the results.

Social Security benefits will help. But to make sure that you can retire when you want with the lifestyle you want, a long-term savings and investment strategy is required. That's where the 401(k) Savings Plan can help.

The 401(k) Savings Plan is all about the long term.

New York Life provides the 401(k) Savings Plan to help you save for your future. You can take a loan or withdraw money from your account under certain circumstances, but the 401(k) is specifically designed for one thing—to help you retire with enough money to enjoy everything you've worked so hard to achieve. Of course, it's always a good idea to have outside savings and investments as well, especially for short-term goals, emergencies, and other needs. But the tax and savings advantages of the 401(k) Savings Plan make it uniquely suited to help you save for retirement.

NEXT: How the 401(k) Savings Plan works ›

The 401(k) Savings Plan: A quick refresher



The 401(k) Savings Plan is a convenient way for you to invest, build, and manage long-term financial resources for retirement. It's convenient because:

- Your contributions are automatically deducted from your pay, deposited into your account, and invested according to your instructions. (If you're eligible and don't make contribution and investment elections within 60 days of starting work at New York Life, you'll be automatically enrolled at a pre-tax contribution rate of 6% of your benefits salary, invested in the Fixed Dollar option.)
- You can choose how much hands-on control you want over your investments, based on your comfort level.
- You can change your contribution rate and move your savings to different investment funds at any time.
- You'll have access to a variety of tools that will help you gauge your progress toward your financial goals and make adjustments as needed.

Generally, you're eligible to participate in the plan beginning on your date of hire if you are an active, full-time, or part-time U.S. salaried employee of New York Life or an affiliate that participates in the plan.



Contributions

You can contribute from 1% to 25% (in whole percentage amounts) of your benefits salary, subject to IRS limits. The Internal Revenue Code limits the maximum benefits salary that can be used to calculate contributions—for 2024 that limit is $345,000.

You have a choice of making five different types of contributions: Pre-tax, after-tax, Roth, pre-tax catch-up, and Roth catch-up.

- **Pre-tax** and **pre-tax catch-up** contributions are deducted from your pay before income tax is calculated, which lowers your taxable income for the current year.
- **After-tax**, **Roth**, and **Roth catch-up** contributions are deducted from your pay after taxes, so they don't lower your current taxable income.

See how contribution types compare ›

IRS and plan contribution limits (2024)	
401(k) Pre-tax	$23,000 (combined with Roth)
Roth	$23,000 (combined with pre-tax)
Catch-up	$7,500 (in addition to other limits; only permitted if you are age 50 or older during the year; combined pre-tax and Roth)
Combined contribution limit (including after-tax)	25% of benefits salary (after-tax cannot exceed 11%)

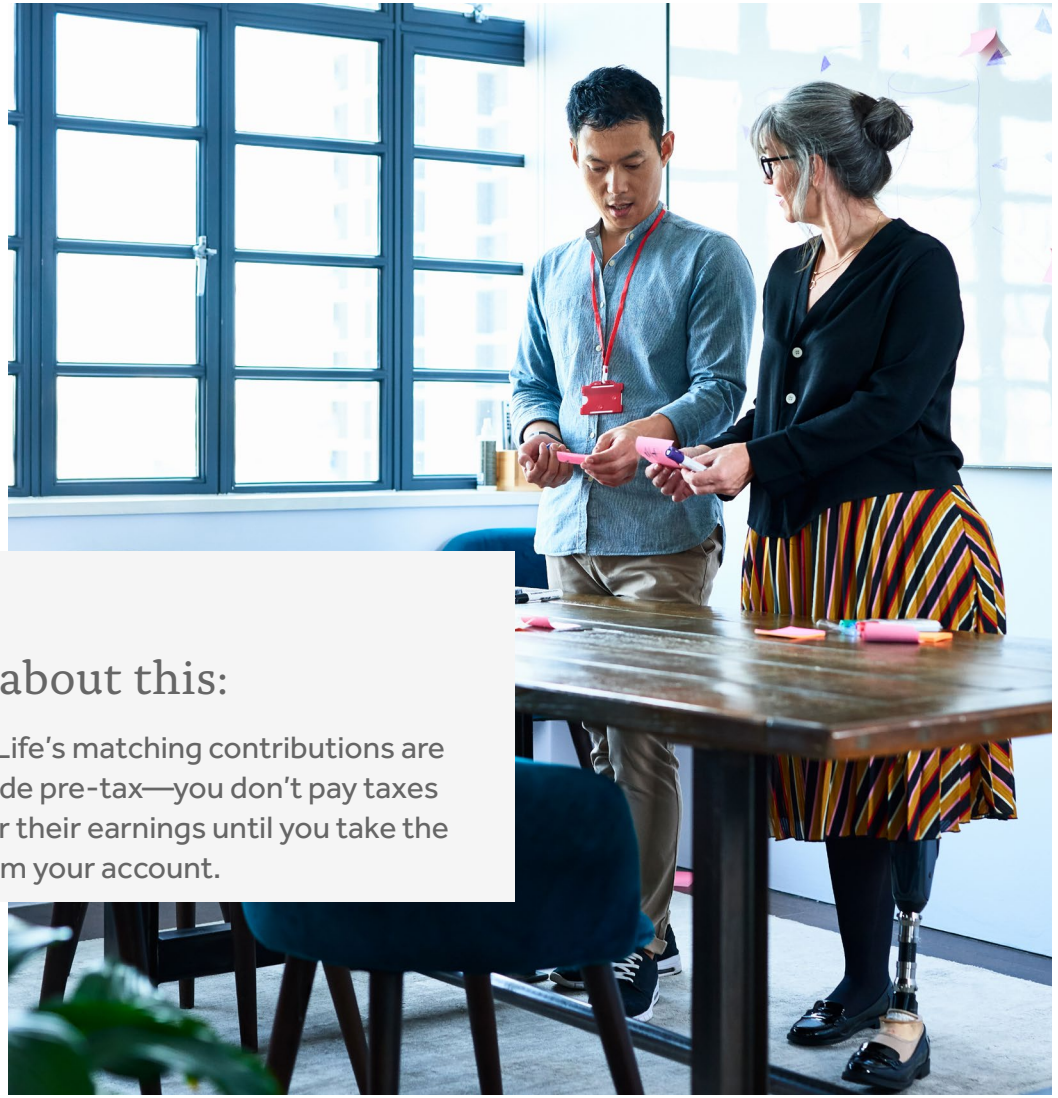
New York Life helps you get there faster

When you contribute to your 401(k) Savings Plan, New York Life adds a matching contribution to your account to help you reach your savings goals more quickly—it's like getting paid to save!

Save 6%. New York Life makes it 11%.

New York Life matches 100% of the first 4% of benefits salary you save in the plan, and 50% on the next 2%. So, by saving at least 6% of your benefits salary, you will receive an automatic company contribution of an additional 5%. Catch-up contributions are not matched.

All contributions (yours and the company match) are always 100% vested.



Think about this:

New York Life's matching contributions are always made pre-tax—you don't pay taxes on them or their earnings until you take the money from your account.

Investment options

The 401(k) Savings Plan offers a number of different options you can choose from:

- **Target Date Funds:** Fund portfolios designed for your planned retirement date.
- **Core Funds:** A variety of balanced, bond, and equity funds.
- **Fixed Dollar Option:** Provides a fixed or stated return, meaning that the return is set for a period of time.

Learn about your fund choices

You can find a complete list of the plan's investment options and learn more about these options on Your Benefits Resources™ (YBR) at **http://digital.alight.com/newyorklife** under "Savings and Retirement" and "Fund Prospectuses." You can also request a copy of any of the prospectuses for the plan's investment options by calling the New York Life InfoLine at **1-888-513-4636**.

Create your own investment mix

All the investment options are available for each type of contribution, including New York Life's matching contributions. The plan's investment options offer a range of asset classes that allow you to diversify your investments based on your savings goals, risk tolerance, and how long you have until retirement. You can mix and match your investment options however you like to fit your needs.

Connect with an investment professional

Consider using the online or professional management resources available to you through Alight Financial Advisors, LLC (AFA).

To connect with AFA:

- **Go online:** From **Your Benefits Resources (YBR)**, select "Investment Advice" from the "Savings and Retirement" tab;
- **Speak with an advisor:** Call **1-888-513-4636**, select "401(k) Savings, Deferred Plans and Retirement," and then select the "Investment Advice" option. Advisors are available between 9 a.m. and 9 p.m. Eastern Time, Monday through Friday.

See important note about investment advisory services >

Important Note:

New York Life is not using New York Life Agents who are investment advisory representatives of Eagle Strategies, a New York Life company, for this process because ERISA imposes significant restrictions on investment advice arrangements between investment advisers (like New York Life's Eagle Strategies) and related retirement plans (like New York Life's own 401(k) Savings Plans). Thus, we cannot use any New York Life Agent to advise participants in New York Life's own 401(k) Savings Plans on their 401(k) account balances. The advice services being offered through Alight Financial Advisors are not subject to these restrictions. In addition, as noted above, the advice being offered through Alight Financial Advisors is strictly limited to 401(k) account balances. We want to ensure that all New York Life Agents and Employees are able to make informed decisions about their 401(k) retirement savings and want to provide the resources to do so, should they need help.

The 401(k) Savings Plan ("Plan") has hired Alight Financial Advisors, LLC (AFA) to provide investment advisory services to plan participants. AFA has hired Financial Engines Advisors, L.L.C. (FEA) to provide sub-advisory services. AFA is a federally registered investment advisor and wholly owned subsidiary of Alight LLC. FEA is a federally registered investment advisor and wholly owned subsidiary of Edelman Financial Engines, LLC. Neither New York Life, the Plan, AFA nor FEA guarantee future results. All marks are the exclusive property of their respective owners.

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Alight Financial Advisors, LLC (AFA) provides independent and unbiased investment advice through its partnership with Edelman Financial Engines. Neither sells investments or receives commissions based upon their recommendations.



Getting your money out of the plan

Tax-advantaged plans like the 401(k) Savings Plan are specifically designed to help you save for retirement. Generally, the IRS requires that if you take a distribution from your 401(k) account before you reach age 59½, you will pay a 10% penalty in addition to any taxes you may owe. While you're employed at New York Life, you can take and repay a loan from your 401(k) Savings Plan account without owing taxes or paying a penalty. You can also take a hardship withdrawal under certain circumstances, but you may have to pay taxes and/or penalties.

Managing your account is easy

Online

To enroll, change, stop, or restart your contributions, or to change your investment options, visit **Your Benefits Resources (YBR)**. While you're there, you can learn more about the investment options under "Savings and Retirement" and "Fund Prospectuses."

By phone

You can also manage your account and request investment fund information by calling the New York Life InfoLine at **1-888-513-4636** and speaking with a Benefits Center representative.

NEXT: See other plan features that benefit you ›

For more details about how the 401(k) Savings Plan works, visit **www.nylbenefits.com** under "Savings and Retirement." Or, refer to the Summary Plan Description and supplement for the Employee Progress-Sharing Investment Plan, which is available on the NYL Intranet or on **Your Benefits Resources (YBR)**.



Other features that benefit you

Contribution escalation

You may choose to automatically increase your contribution rate on an annual basis, up to a maximum contribution rate that you choose, or up to IRS limits.

Auto-rebalancing

This feature keeps your account investments focused on your long-term investment strategy by automatically transferring your money every 90 days among your chosen investment options. This insures your investments follow your original, intended investment approach, despite market changes.

Roll over prior accounts

If you participated in a prior employer's qualified plan or an IRA, you can roll your distribution over into the New York Life 401(k) Savings Plan and defer paying taxes on your savings.

NEXT: Learn about pre-tax contributions ›



How pre-tax contributions work

When you make pre-tax contributions (including catch-up contributions) to the 401(k) Savings Plan, the money is deducted from your pay before income taxes are calculated and withheld. As a result, your taxes are calculated on a lower amount, so you don't pay as much in income tax as you would otherwise.

How much you can contribute

Each year, the IRS sets a limit on the amount of pre-tax contributions you can make to the 401(k) Savings Plan. This annual maximum pre-tax contribution limit is $23,000 in 2024. (If you make Roth contributions, those are also included in this annual pre-tax limit because earnings on Roth contributions are tax-free.*) Catch-up contributions are allowed in addition to this limit.

* To receive a tax-free distribution of earnings, you must be at least age 59½ (or disabled) and the Roth account must be at least five years old.

When you pay taxes

Your pre-tax contributions and their investment earnings are not taxed until you take a distribution. Distributions of pre-tax contributions and their earnings are taxed like regular income. If you take a distribution before you reach age 59½, generally you'll pay a 10% penalty in addition to the tax you owe.

Pre-tax contributions—important considerations	
Advantages	**Disadvantages**
• Your current taxable income is reduced by the amount of your contributions, meaning you owe less in current taxes. • Account can grow faster because you don't pay taxes on contributions and earnings until distribution.	• There is a limit to the amount of contributions you can make. The maximum annual contribution amount is $23,000 in 2024, including Roth contributions and contributions you make to any other plan in 2024. • You could owe more than planned because distributions increase your taxable income and could place you in a higher tax bracket.

Who might benefit from pre-tax contributions

Most employees will benefit from making at least some pre-tax contributions to the 401(k) Savings Plan. You should consider these contributions if you:

- Like the idea of paying less in taxes now, in exchange for paying them when you take the money out.
- Think you'll be in a lower tax bracket than you're in now when you take the money from your account.
- Can delay taking a distribution to avoid early withdrawal penalties.

Know your limits

Make sure your combined contributions don't put you over the annual pre-tax limit too early in the year. When you reach the limit, your pre-tax (and Roth) contributions stop—and so does the company match on those contributions—for the rest of the year.

NEXT: Learn about after-tax contributions ›



How after-tax contributions work

There are two kinds of after-tax contributions you can make in the 401(k) Savings Plan: "traditional" after-tax contributions and Roth contributions.

Read about Roth contributions here ›

When you make a traditional after-tax contribution, the money is deducted from your pay after income taxes are calculated and withheld. So unlike pre-tax contributions, after-tax contributions don't lower your current taxable income.

Why would I make after-tax 401(k) contributions instead of just saving in an outside account?

Outside savings are important, but after-tax contributions in the 401(k) Savings Plan come with the company match and you don't pay taxes on the earnings in your account until you withdraw them, which allows your account to grow more quickly. Plus, you can take advantage of the plan's convenient payroll deductions, investment options, and tools.

How much you can contribute

You can contribute more to a traditional after-tax account than you can in pre-tax contributions.

Contribute up to a total of 25% of your benefits salary to your account in a combination of pre-tax 401(k), after-tax, and Roth contributions (with after-tax contributions limited to 11%). For 2024, the maximum benefits salary that can be used to calculate contributions is $345,000.

When you pay taxes

Because you pay taxes on your after-tax contributions up front, you don't pay taxes when you withdraw them from your after-tax account. There's also no 10% penalty for withdrawing after-tax contributions before age 59½.

However, you will owe taxes on investment *earnings* at the time of distribution. Earnings are taxed like regular income, and you will owe the 10% penalty for early withdrawal of the earnings.

Distributions from your traditional after-tax account will contain both after-tax contribution money and earnings money, based on the proportion of contributions to earnings in your account.



Do I get matching contributions?

Yes, New York Life matches your after-tax contributions. However, company matching contributions are always made pre-tax.

After-tax contributions—important considerations	
Advantages	**Disadvantages**
• You won't owe as much in taxes when you receive the money from your account. • There's no penalty for withdrawing after-tax contributions before age 59½. • Distributions don't increase your taxable income as much as pre-tax distributions can. • You can save more than the $23,000 pre-tax limit.	• You pay more in current taxes. • You will owe taxes on earnings at distribution (and a 10% penalty for withdrawing earnings before age 59½).

Who might benefit from after-tax contributions

You should consider making after-tax contributions if you:

- Want to save more than the annual IRS pre-tax maximum ($23,000 in 2024).
- Will max out your pre-tax maximum contribution before receiving the full company match.
- Would rather pay the taxes on your contributions now, so you don't have to pay as much when you take the money out.
- Think you'll be in the same or higher tax bracket when you take the money from your account than you're in now.
- Might need to take an early distribution (before age 59½); you won't have to pay taxes or penalties on contributions you withdraw (but you may owe taxes and a 10% penalty on the earnings).

NEXT: Learn about Roth contributions ›



How Roth contributions work

There are two kinds of after-tax contributions you can make in the 401(k) Savings Plan: Roth contributions and "traditional" after-tax contributions.

Read about traditional after-tax contributions here ›

Roth contributions have a lot in common with traditional after-tax contributions. They're deducted from your pay after income taxes are calculated and withheld, and they don't lower your current taxable income. But there are some significant differences.

Why would I make Roth 401(k) contributions instead of regular after-tax contributions?

You don't pay taxes on Roth contributions or earnings* at the time of distribution.

* You must be at least age 59½ (or disabled) and the Roth account must be at least five years old at distribution.

How much you can contribute

Roth contributions fall under the same IRS limit as pre-tax contributions. In 2024, this annual limit is $23,000. The combined total of your Roth contributions plus pre-tax contributions can't exceed this limit. Catch-up contributions are allowed in addition to the limit.

"Exceeding the limit" with Roth contributions

Making Roth contributions may allow you to effectively "exceed" the IRS contribution limit, depending on market performance, your current tax bracket compared to your tax bracket at retirement, and how long your Roth contributions are left in the account to earn tax-free interest. For instance, if you were to max out the limit in Roth contributions (and tax rates in retirement are the same or higher than they are now), you could have a larger balance at retirement, after payment of taxes, than you would making the same contribution in pre-tax dollars.



Do I get matching contributions?

Yes, New York Life makes matching contributions on your Roth contributions. However, company matching contributions are always made pre-tax.



Understand potential tax implications

You can convert your existing after-tax and/or pre-tax account balances to a Roth account, but there are important considerations. **Learn more ›**

When you pay taxes

Because you pay taxes on your contributions up front, you don't pay taxes on those contributions when you withdraw money from your traditional after-tax account. However, the key advantage of Roth contributions is that you also *may not be required to pay taxes on the earnings* in your account—which means tax-free income in retirement.

To avoid a penalty, the earnings on Roth 401(k) contributions can only be withdrawn after age 59½ (or if you become disabled). The Roth account must also be at least five years old at distribution, or the earnings will be taxable.

Know your limits

Make sure your Roth (plus pre-tax) contributions don't put you over the annual pre-tax limit ($23,000 for 2024). If you reach the pre-tax limit, you can continue "traditional" after-tax contributions and continue receiving the company match.

Roth contributions—important considerations	
Advantages	**Disadvantages**
• You won't owe taxes on the contributions in your account when you withdraw them. • Your account can grow faster because you don't pay taxes on earnings.* • Qualified distributions don't increase your taxable income.	• You pay more in current taxes. • You'll pay a penalty if you take money from your Roth account before age 59½ or if the account is less than five years old. • You can only contribute up to the 2024 annual $23,000 pre-tax limit (Roth contributions and contributions you make to any other plan in 2024).

* You must be at least age 59½ (or disabled) and the Roth account must be at least five years old at distribution.

Who might benefit from Roth contributions

You should consider making Roth contributions if you:

- Think you'll be in the same or higher tax bracket at retirement than you're in now.
- Have a longer time until retirement to allow more compounding of tax-free earnings.
- Would rather pay the taxes on your contributions now in exchange for tax-free retirement income.

NEXT: Learn about catch-up contributions ›



Roth contributions are irrevocable.

You can stop making Roth contributions at any time, but you cannot convert existing Roth account balances into pre-tax or traditional after-tax savings.



Make up time with catch-up contributions

Catch-up contributions allow employees—especially those who may have begun saving later in life—to save an additional amount in the 401(k) Savings Plan as they get closer to retirement.

How they work

If you will be age 50 or older at any time during the year, you can make catch-up contributions, which allow you to exceed the normal annual maximum contribution limits. You can make pre-tax or Roth catch-up contributions, or any combination.

Do I get matching contributions?

No, catch-up contributions aren't eligible for the New York Life company match.

How much you can contribute

Each year, the IRS sets a limit on the amount of catch-up contributions you can make to the 401(k) Savings Plan. In 2024, you can make an additional $7,500 in catch-up contributions. Make sure that your catch-up contributions under any other plan in 2024 don't put you over this annual limit.

Who might benefit from catch-up contributions

Most employees who are eligible will benefit from making catch-up contributions—saving too much for retirement is a pretty rare problem. You should especially consider catch-up contributions if you:

- Didn't start saving for retirement until later in life.
- Have depleted other savings.
- Would like to have additional retirement savings for health care expenses or the unexpected.

When you pay taxes

Catch-up contributions are taxed based on the type of contribution you make: pre-tax or Roth.

NEXT: Compare your 401(k) contribution options ›





Compare your contribution options

How you use the 401(k) Savings Plan to save for retirement is a personal decision. Just like there are many different reasons to save, there's no "right" or "wrong" type of contribution. Each has its own strengths. In fact, some financial experts recommend a combination of contribution types, as a sort of "tax diversification" strategy. You can even convert existing pre-tax and after-tax savings into Roth savings. **Learn how** ›

New York Life offers these different kinds of contributions precisely because each individual has unique retirement goals, needs, and savings preferences.

See the side-by-side comparison of the contribution types ›

Roth contributions are irrevocable.

You can stop making Roth contributions at any time, but you cannot convert existing Roth account balances into pre-tax or traditional after-tax savings.

Contribution options

	Pre-Tax	Traditional After-Tax	Roth	Catch-Up
2024 annual maximum contribution	$23,000 (combined with Roth)[1]	11% of benefits salary[1]	$23,000 (combined with pre-tax)[1]	$7,500 (combined pre-tax and Roth)
Company match?	Yes	Yes	Yes	No
Tax treatment				
Contributions from paycheck	Not taxed (until distribution)	Taxed in the year earned	Taxed in the year earned	Taxed based on the type of contributions
Earnings	Taxed at distribution	Taxed at distribution	Not taxed	
At distribution	Pay taxes on contributions and earnings	Pay taxes on earnings only	No taxes due[2]	
Penalty for distributions before age 59½	Yes, on contributions and earnings	Yes, on earnings only	Yes, penalty on earnings only (unless disabled)	Penalty based on the type of contributions

[1]The Internal Revenue Code limits the maximum benefits salary that can be used to calculate contributions—for 2024 that limit is $345,000. The plan's combined pre-tax, Roth, and after-tax contribution limit is 25% of your eligible benefits salary (after-tax cannot exceed 11%). If you're considered highly compensated (for 2024, your 2023 earnings exceeded a set amount), the maximum amount you can contribute to the plan is different.

[2]To receive a tax-free distribution of earnings, you must be at least age 59½ (or disabled) and the Roth account must be at least five years old at distribution.

NEXT: If you're thinking about adding Roth to your savings ›



Considering Roth?

Roth contributions provide another way to prepare financially for your future with the 401(k) Savings Plan. But Roth contributions may not be for everyone, and there are issues you should think about carefully before adding Roth contributions to your savings strategy.

NEXT: Important considerations ›

Consult an expert

You should discuss the advantages and disadvantages of Roth 401(k) contributions with your tax or financial advisor.

Taxes

Roth contributions are made after taxes are deducted from your pay. But they're different than the "traditional" after-tax 401(k) contributions because the earnings on Roth contributions are not taxed. Which means, unlike either pre-tax or traditional after-tax accounts, a Roth 401(k) account can provide tax-free income in retirement.*

That's certainly an attractive feature, but it requires you to think about your situation, and especially your tax bracket—both now and when you plan to retire. Of course, future tax rates are never easy to predict.

Consider what your situation might be when you take your money out of your 401(k) Savings Plan in retirement:

- If you think you'll be in a **lower** tax bracket than you're in now, pre-tax contributions may make more sense than Roth, because pre-tax contributions save you money on taxes today. Even though you'll be paying taxes on pre-tax contributions and earnings in the future, it could be less than you'd pay today.
- If you think you'll be in the **same or higher** tax bracket than you are now, Roth contributions might be a good option because your tax liability would be greater in the future, and you'd avoid paying taxes on the earnings in your account.



Time

How long until you think you'll retire? Because the more time you have until you need the money in your account, the more likely you'll benefit from Roth 401(k) contributions.

Here's why. Earnings can grow substantially through compounding—the longer you can let them compound, the more potential for growth. And since earnings aren't taxable in a Roth account,* you could avoid a potentially large tax bill at distribution with a Roth account compared to a pre-tax or even a traditional after-tax account.

* To avoid taxes and penalties at distribution, your Roth 401(k) account can only be withdrawn after age 59½ (or if you become disabled) and the Roth account must be at least five years old.

Learn about converting current eligible balances to Roth ›

Converting your current eligible balances

You can convert all or a portion of your current eligible 401(k) Savings Plan account balance to a Roth account (called an in-plan conversion). However, *be sure you understand the tax implications* (including state and local taxes, if applicable) before you request such a conversion.

There are important tax considerations with a Roth in-plan conversion.

When you convert existing *pre-tax money* into a Roth account, those dollars instantly become taxable income in the year the conversion is complete. Which means you could face a sizable tax bill (and the conversion could bump you into a higher tax bracket for that year).

The increase in taxable income from the conversion could put you over an income threshold that could impose additional tax on investment income.

You may also need to increase your tax withholding amount for the year of the conversion or make estimated tax payments to avoid an underpayment penalty.

For example:	If you convert $500,000:	If you convert $40,000:
Effective tax rate	42% (35% federal tax, 7% state tax)	29% (22% federal tax, 7% state tax)
Tax payable for year of conversion	$210,000	$11,600

What happens if I withdraw money from my Roth account within five years of the conversion?

You'll owe taxes on the earnings in the account. If you're under age 59½, you'll owe an additional 10% penalty on the entire earnings amount that you withdraw (unless an exception applies).

When you convert existing *after-tax money* into a Roth account, you generally owe taxes only on the portion of the converted funds that represents earnings, so your taxable income may not increase as much.

Is an in-plan Roth conversion right for you?

Be sure to consult a financial or tax advisor to explore the tax implications before requesting a Roth conversion.

Here are some considerations to get you started:

You might benefit from an in-plan conversion if you:	You might *not* benefit from an in-plan conversion if you:
• Expect your tax rate to be the same or higher in the future. • Are interested in tax diversification (owning assets taxed at different rates to cushion against changes in tax rates or taxable income). • Plan to keep the money invested for at least five years before taking a withdrawal.	• Expect your tax rate to be lower in retirement than it would be at the time of conversion. • Will need to access your money within five years of the conversion. • Would find it difficult to pay the tax owed on the amount of the conversion.



How to request an in-plan conversion

If you decide that an in-plan conversion is right for you, you can initiate a conversion (up to two requests per year) on **Your Benefits Resources (YBR)**. After you log on, select **Convert to Roth 401(k)** under the **Savings and Retirement** tab and follow the steps.



Looking ahead: After-tax? Roth? Both?

Because both traditional after-tax and Roth contributions are deducted from your pay after taxes are withheld, people often wonder why they should choose one over the other. The key differences are:

- Roth contributions are subject to the annual IRS pre-tax limit ($23,000 in 2024).
- Earnings on Roth contributions are not taxable (for qualified distributions).
- If you change your mind in the future, you can convert traditional after-tax money to Roth savings, but you can't convert Roth balances to after-tax.
- Limited access to Roth contributions while working.

Get some help

Use the tools available to you on Your Benefits Resources (YBR) at **http://digital.alight.com/newyorklife** to help you decide whether Roth contributions might be right for you.

If you have questions, call the New York Life InfoLine at **1-888-513-4636** to speak with a Benefits Center representative.

NEXT: Think outside the plan ›

Think outside the plan

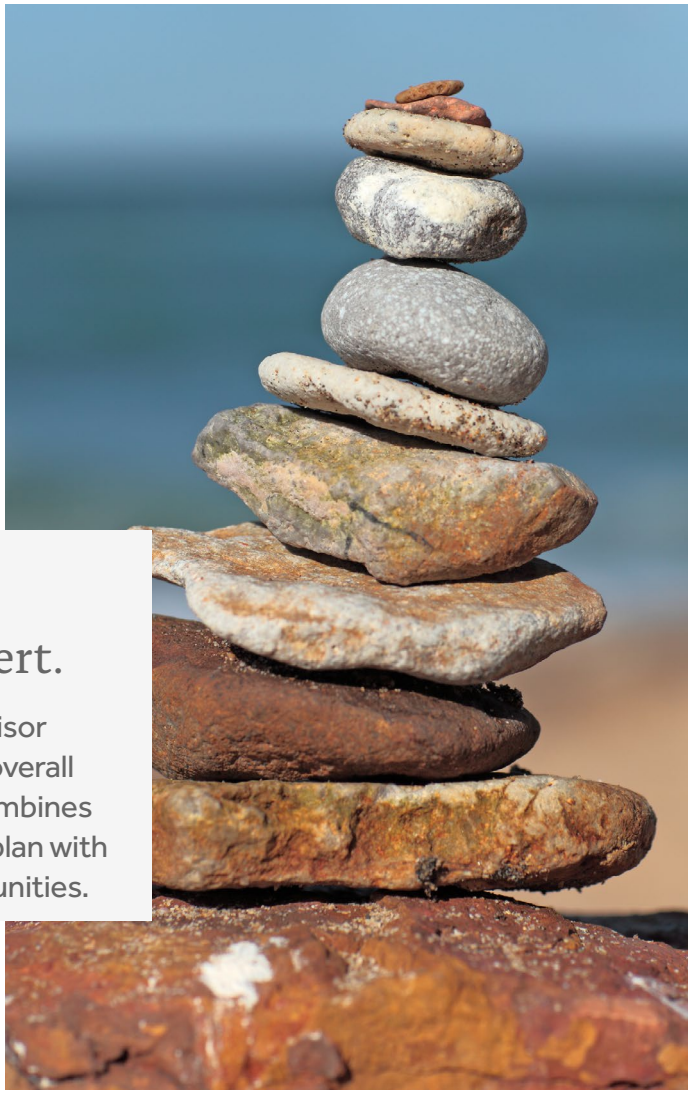
New York Life's 401(k) Savings Plan forms a solid foundation for building your retirement finances. But as any financial advisor will tell you, diversification is a key to successful saving and investing.

Some liquidity is important.

Your 401(k) Savings Plan money has restrictions on when you can access it because it's intended for long-term savings.

- You can take a loan from your 401(k), but the money you take out stops earning investment returns and compounding until you repay it.
- Hardship withdrawals are available, but only under certain circumstances. Not only do you lose any earnings on that money, but you could also have tax and/or penalty costs, even on after-tax contributions.

The ability to get to your money when you need it—liquidity—is one of the reasons it's important to have savings outside your New York Life plans. In addition to fully liquid bank accounts, stocks, and mutual funds, there are also some tax-favored savings options, such as IRAs and tuition savings plans that you may be able to take advantage of, depending on your annual pay and other factors.



Consult an expert.

Talk to your financial advisor about how to create an overall savings strategy that combines New York Life's savings plan with outside financial opportunities.



Watch how much you contribute to the 401(k) Savings Plan

There is such a thing as contributing too much in pre-tax and/or Roth contributions. The 401(k) Savings Plan has a contribution limit imposed by the IRS, and that limit includes Roth contributions. In 2024, the maximum annual limit is $23,000. Make sure your combined pre-tax and Roth contributions don't put you over this annual limit.

Once your contributions stop, so does the company match.

New York Life matches your contributions each pay period during the year. So, if you're making Roth contributions at a rate that hit the pre-tax limit in, say, November, not only do your contributions stop, so does the company match on those contributions—for the rest of the year.

"Right size" your contribution.

The key to receiving the company match for the full year is to make sure your contributions don't reach the IRS limit until the last pay period of the year. If your current contribution levels will max you out early, you can:

- Lower your pre-tax/Roth contribution rates.
- Lower your pre-tax/Roth rates and increase your "traditional" after-tax contribution rate to make up the difference in your total contribution.



Catch-up contributions...

aren't included in the pre-tax contribution limit, and are not eligible for the company match.

NEXT: See how others make the most of their retirement and savings plans ›

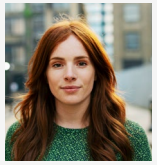
What would you do?

Your New York Life 401(k) Savings Plan is a powerful tool that can help you secure your future. But everyone's situation is unique—your goals, age, pay, priorities, savings habits, etc.—so getting the most from your plan requires some thought and planning, and perhaps some advice from tax or financial experts.

It can also help to see how others structure their savings strategies based on their specific situation.

Meet Kim, Ed, Ty, and Connie.

These aren't real New York Life employees, but one or more of their "stories" may sound familiar to you. In the next few pages, you'll meet each of them, learn about their financial and retirement goals, and how they use the 401(k) Savings Plan to help achieve them. Obviously, none of their situations will match yours exactly, but perhaps you can apply some of their thought processes to your own.






Important

The following scenarios are representative examples only and are not based on any New York Life employee or other real person, living or dead. These scenarios are not tax advice, and their investment returns and tax rates are based on assumptions only. The calculations on the following pages use these assumptions:

- Social Security, other investments, and other income are not included
- Future calculations are based on 2% inflation, 3% annual pay increases, and 8% investment returns
- Bonuses, non-qualified plan balances, and other compensation and incentives are not included
- Calculations were based on the federal tax rates and tax brackets for married individuals filing joint returns and a 7% New York tax
- The tax calculations ignore any tax credits or deductions other than for the 401(k) plan

Keep in mind the various modeling tools available on **Your Benefits Resources (YBR)** and other sources will likely yield different results than the numbers calculated for these examples because of differing assumptions, starting values, etc. For this reason, payout amounts are rounded to the nearest $100. Payout amounts include matching contributions.

Additionally, in late 2022, new laws were passed that are collectively known as SECURE 2.0. These new rules are not reflected in the illustrations shown in this document.

Kim

Age: 25

Current salary: $50,000



Kim just began working at New York Life on her 25th birthday. Her starting salary of $50,000 sounds like a lot of money to her, but she knows living in New York is expensive, so she's watching her budget carefully. It's tough, because she's single and has made a number of friends at work and in her building, and her life outside work is important to her. Retirement is just about the last thing on her mind—a long term goal to her is being able to get home for the holidays.

She also understands that, at age 25, time is definitely on her side when it comes to saving for the future. She knows that what she does now can make a big impact on her retirement finances. So, she's determined to start saving something now and let compounding go to work on her money for as long as possible.

What Kim does

Kim crunches her budget numbers. She considers saving 6% in the 401(k) Savings Plan, which is the minimum that gets her the full company match. But Kim's motto is "go big or go home." So she decides to trim a little off her clothing budget and start by contributing 10%—which means with the company match, she'll be saving 15%—and if she needs to dial it back later, she can do that any time she wants. Using these numbers, she models her future account balance at different ages on the Project Your Income tool on **Your Benefits Resources (YBR)** and likes what she sees.

Kim also considers whether she should make pre-tax or Roth contributions. She knows the company match is always made pre-tax, but isn't sure if she wants to pay taxes on her contributions now, or on her contributions and earnings when she takes the money out. Roth contributions would yield over $828,000 more at age 65. That's really tempting, but being on a budget and contributing 10% means she needs every penny she can get from her paycheck today. Pre-tax contributions result in almost $80 more in her pay each month. Plus, she can't begin to guess what tax bracket she'll be in or how taxes may change by the time she retires. So she sticks with the 10% pre-tax contributions, knowing she can add Roth contributions later, or even convert her entire balance to Roth if she wants.

The numbers Kim considers	With 6% pre-tax contributions	With 10% pre-tax contributions	With 10% Roth contributions
Current take home pay	$38,534	$36,914	$35,964
Payout at age 65 (after taxes)	$1,345,900	$1,776,000	$2,604,300

Ed

Age: 35

Current salary: $90,000



Ed is 35 years old and has been with New York Life for about 10 years. He lives with his wife Alexis and three children in a house they've recently finished renovating, which has consumed most of his weekends and a lot more of his $90,000 annual salary than he thought it would. Ed's also been contributing to a 529 plan for three college tuitions. Now that the kids are all in school, Alexis is returning to the workforce, and with the renovations complete, Ed's taking another look at his 401(k) Savings Plan contributions.

With all the expenses for the past few years, Ed has been making pre-tax contributions of 2%, and has a current pre-tax account balance of a little over $22,000. He knows he needs to boost his savings at least to 6% so he gets the full company match, but wants to see the effect of doing more.

What Ed does

He runs the numbers on the Impact on Paycheck tool on **Your Benefits Resources (YBR)** and sees that his take-home pay with a 10% contribution is only about $3,000 per year lower compared to a 6% contribution. He also sees that the difference in his account balance at age 65 could be substantial—a 10% pre-tax contribution rate will yield about $320,000 more than a 6% contribution.

Ed talks to his tax advisor, who suggests Ed consider Roth contributions, especially since Ed and Alexis expect to be in a higher tax bracket when they retire than they are now. Since Roth contributions are deducted after taxes, his advisor suggests they look carefully at his tax bracket each year to see if making pre-tax contributions that year might keep Ed in a lower tax bracket than he'd be in otherwise. But even with the lower take-home pay, at age 65 Roth contributions will provide Ed over $621,000 more than only making pre-tax contributions, which are taxed (along with their earnings) when Ed takes a distribution.

The numbers Ed considers	With 6% pre-tax contributions	With 10% pre-tax contributions	With 10% Roth contributions
Current take home pay	$68,990	$66,074	$64,364
Payout at age 65 (after taxes)	$1,138,300	$1,458,400	$2,079,600

Ty

Age: 45

Current salary: $140,000



Not long after Ty came to New York Life, a friend of his fulfilled a long-time dream by suddenly retiring at age 50 and starting his own business. While that's not a dream of his, it inspired Ty to take another look at his New York Life 401(k) Savings Plan to see if he could be doing more. At 45, Ty already has $458,500 saved in his pre-tax account, so it's not like he's starting from scratch. But his career is thriving and he expects his $140,000 annual salary to grow over the next 15-20 years—which means if he wants to maintain his lifestyle in retirement, he needs to do some planning now.

Like his friend, Ty expects to be in a higher tax bracket when he retires than he is now. Ty also believes that tax rates will only increase over the next couple of decades, especially on those with higher taxable income. At retirement, Ty would like to be able to buy a small house or cabin on a lake upstate, and travel with friends. Footing a large tax bill on his pre-tax account balance is not part of that plan.

What Ty does

Ty talks to his tax advisor about making Roth contributions. It's certainly appealing to pay a lower tax rate on his 10% contributions now to avoid paying a higher one on contributions and earnings later. Even though it will lower his take-home pay by over $4,000 per year to pay taxes up front, running the numbers shows Ty that by switching to Roth contributions going forward, he could avoid a tax hit of more than $365,000 in retirement.

In addition, his advisor suggests something Ty hadn't considered— making an in-plan conversion of his existing pre-tax balance. The tax bill for making the conversion isn't cheap—in fact, it's more than he currently makes in a year—so Ty will need to tap some outside investments to pay the tax. Ty may also need to increase his withholding or make estimated tax payments to avoid an underpayment penalty. But at age 65, his Roth conversion and Roth contributions plus New York Life's pre-tax matching contributions could provide over $1,271,000 more than if Ty continues making only pre-tax contributions.

The numbers Ty considers	With pre-tax contributions	With Roth contributions	With Roth contributions and conversion
Current take home pay	$99,354	$95,294	$95,294
Payout at age 65 (after taxes)	$2,004,800	$2,370,600	$3,275,900
Tax payable for current year due to conversion of existing balance	-	-	$161,414

Connie

Age: 60

Current salary: $120,000



Connie and her husband Nate recently bought their dream retirement home just a few steps from the beach. They're already planning their first family beach Christmas gathering—even though it's five years away, right after Connie turns 65.

Connie's been a pretty diligent saver most of her career, and she's built up over a million dollars in her New York Life 401(k) Savings Plan, regularly saving 10% of her benefits salary on a pre-tax basis. She was feeling pretty good about that until a friend told them at a party how quickly she and her husband were running through their retirement finances because they were encountering expenses they hadn't planned for.

What Connie does

After hearing about her friend—and being so close to retirement—Connie decides she wants to step on the gas and save as much as possible. So she models different contribution scenarios on **Your Benefits Resources (YBR)**. If she continues her 10% contribution rate, she'll do well. But then she sees that by maxing out her contribution to the IRS limit and making an additional $7,500 per year in pre-tax catch-up contributions, her annual take-home pay will be reduced by more than $13,600 each year—but the impact on her account in just five years is significant.

She's curious about whether Roth contributions or even a conversion might be an option, but her tax advisor explains that there's not really enough time before she retires to realize the benefit of tax-free earnings. Her advisor also reminds Connie that Roth accounts must be at least 5 years old to avoid paying taxes on earnings—which could be a problem if Connie decides to retire before age 65. In addition, Connie's take-home pay won't be reduced as much by continuing pre-tax contributions as it would be if she started making Roth contributions.

The numbers Connie considers	With 10% pre-tax contributions	With maximum pre-tax contributions + catch up
Current take home pay	$86,574	$72,959
Payout at age 65 (after taxes)	$969,400	$1,034,400

Definitions

After-tax contributions
Contributions deducted from your pay after taxes are calculated and withheld from your check. After-tax contributions don't lower your current taxable income, but you don't pay taxes on them when you take them out of your account either.

Asset class
A group of securities with similar financial characteristics, that behaves similarly in the marketplace, and are subject to the same laws and regulations. Different asset classes have different levels of investment risk and potential return.

Benefits salary
Generally, your base salary plus eligible incentive payments, net of amounts deferred under any non-qualified deferred compensation plans.

Catch-up contributions
Contributions that allow you to exceed the annual IRS contribution limits. You must be age 50 or older during the year that you make catch-up contributions. You can make pre-tax or Roth catch-up contributions. There is no company match on catch-up contributions.

Distribution
When you take money out of a qualified plan, such as the 401(k) Savings Plan. A "qualified distribution" is one which does not require you to pay additional taxes or penalties.

In-plan conversion
Converting an existing pre-tax or after-tax account balance (either all or a portion) to a Roth account without removing money from the plan.

Pre-tax contributions
Contributions deducted from your pay before taxes are calculated and withheld from your check. Pre-tax contributions lower your current taxable income, but you pay taxes on them when you take them out of your account.

Risk
Investment (market) risk. Virtually all investments come with some risk; generally, the higher the investment risk, the higher the potential returns, and vice versa. Some people are comfortable with more risk than others. Your individual tolerance for risk should be part of your investment strategy.

Roth contributions
Special after-tax contributions that can provide tax-free income in retirement because, unlike "traditional" after-tax contributions, you also don't pay taxes on the earnings on Roth contributions for a qualified distribution (i.e., a distribution made after you are age 59½ (or if you become disabled), once your Roth account is at least five years old).

Important Note—Please Read

The information included herein is a general description and overview of certain provisions of the New York Life Insurance Company Employee Progress-Sharing Investment Plan ("401(k) Savings Plan"). For more detailed information regarding the 401(k) Savings Plan, please refer to the Summary Plan Description available on Your Benefits Resources (YBR) and the New York Life Intranet at **https://nylintranet.newyorklife.com**. Specific benefits under the 401(k) Savings Plan will be determined only by the terms and conditions included in the relevant plan documents. In the event of any conflict between (1) the plan document and (2) this information, the provisions of the plan document will govern. New York Life reserves the right to amend or terminate the 401(k) Savings Plan, in whole or in part, (including, but not limited to, the level of company matching contributions) at any time without notice to, or consent of, employees, retired employees, or their dependents or beneficiaries. New York Life does not provide you with tax, financial, or investment advice regarding the 401(k) Savings Plan. You are encouraged to consult with your own professional advisors.

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