

Title:

Knowing Your 401k Plan.

Word Count:

337

Summary:

Taking full advantage of your 401k plan today can help you achieve financial goals sooner, and provide enough income for a comfortable retirement. For most working people, Social Security checks alone will not be enough to maintain the standard of living they are used to, once they are no longer working. If you are lucky, your employer offers a 401k plan which, if used wisely and to the fullest advantage, can provide you with additional income for your golden years.

401k ...

Keywords:

401k,plan,investing,ira,retirement,option,investment,employer,contribution,ira account

Article Body:

Taking full advantage of your 401k plan today can help you achieve financial goals sooner, and provide enough income for a comfortable retirement. For most working people, Social Security checks alone will not be enough to maintain the standard of living they are used to, once they are no longer working. If you are lucky, your employer offers a 401k plan which, if used wisely and to the fullest advantage, can provide you with additional income for your golden years.

401k plans differ greatly depending on the employer who sets the rules. The only way to get the most out of the plan is to get to know it and make educated choices.

Things you should know:

- What is the maximum percentage of your salary you are able to contribute?
- Is your employer matching the contributions? If yes, what is your minimum contribution, before your employer's contribution starts, and what is the maximum?
- What are the number of years you have to be with the company (so called vesting) to be eligible for the employer's contributions to your 401k?
- How often can you switch among available investment options?

- Are earnings posted to your account on a weekly, monthly or quarterly basis? When do you get your account statements? Note, it is always more beneficial if earnings are added to your balance more often.
- What methods can you use to access the account? By phone, on the internet or only in writing?
- Did you spread your money among different investments to reduce the risk?
- Did you learn enough about the investments you are using?

Do you know that 401k plans are not insured by the federal government, and its investments are at risk? However, different investments carry different degrees of risk. It is always best to diversify your investments by investing in different types of assets. To find out more about 401k investment options, ask your plan administrator for information. Financial magazines, prospectus and brochures can be a good source for learning about particular investment options.