

# Make the Most of Your Caterpillar 401(k) Plan

	Before-Tax	Roth
<b>Taxes</b>	Reduces taxable income	Does not reduce taxable income
<b>Matching<sup>1</sup></b>	Eligible for employer match	Eligible for employer match
<b>IRS Salary Deferral Limits</b>	\$19,500 if under age 50 \$26,000 if age 50 and over	\$19,500 if under age 50 \$26,000 if age 50 and over
<b>Total Employee &amp; Employer Contribution Limits<sup>2</sup></b>	\$58,000 if under age 50 \$64,500 if age 50 and over	\$58,000 if under age 50 \$64,500 if age 50 and over
<b>Distributions</b>	Distributions after age 59½ taxed as current income	Qualified distributions tax-free
<b>Penalties</b>	Prior to age 59½ subject to 10% early withdrawal penalty	Prior to age 59½ subject to 10% early withdrawal penalty on earnings
<b>Rollovers</b>	Eligible for rollover to Traditional or Roth IRA	Eligible for rollover to Roth IRA

## Five Keys to Making The Most of Your Caterpillar 401(k) Plan

### 1. Start Early

- Compounding growth can be a huge factor in your final account
- The earlier you start, the better

### 2. Perfect Your Contribution Strategy

- At a minimum, contribute enough to get the full employer match
- Increase contributions manually or through auto escalation on an annual basis

### 3. Asset Allocation

- Diversify investments across a variety of asset classes
- Determined by investment objectives, risk tolerance and time horizon

### 4. Avoid Borrowing

- Borrowing from your account can significantly reduce the final value
- The “real” costs of borrowing are higher than just the interest rate

### 5. Stay On Track and Get Help

- Review your plan regularly while considering your budget, investments, rebalancing strategy and tax goals
- Utilize tools and resources available on plan website and elsewhere

UPoint website: <http://CatBenefitsCenter.com>

Benefits Center: 877-228-4010 Mon–Fri, 8AM–6PM CT

Investment Advisors: 877-228-4010 and select “Investment advice” Mon–Fri 8AM–8PM CT

Information here is provided solely to supplement the “Make the Most of Your Employer Sponsored Plan” presentation. This information should not be considered advice, and your information may warrant consideration of other alternatives. Please speak with your financial advisor and/or tax advisor.

<sup>1</sup> Employer match is made on a before-tax basis. Refer to your plan documents for more details.

<sup>2</sup> Total plan contribution includes before-tax, Roth, after-tax and employer contributions.

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