ASSOCIATED BENEFITS CORPORATION

(401)K PLANS

ABC developed the **401(k) Thrift Plan for Cooperatives** in 1986, and the continued improvements guided by our legal counsel, trustee and investment advisors help this plan remain a leader in the industry. Bringing nearly **100 cooperatives** together, our members can access top-quality shares/funds at the lowest possible cost. Using this plan design, our members retain more of their hard-earned money for retirement. We utilize Principal as the trustee and recordkeeper for 401(k) plans, and their resources are readily available to your team. Plan participants can log into their online Principal account at any time to view their account details.

ACCOUNT OPTIONS

PRE-TAX 401(K):

The employee chooses to defer taxes until retirement, at which time he/she will be responsible for the taxes on their contributions and the investment growth. The employer directly deposits the employee's deferred compensation into investment funds selected by the employee.

PRO: Lower tax liability today, tax-deferred accumulation

CON: Must pay taxes during retirement, limited access to money (loans)

ROTH 401(K):

The employee pays taxes today in order to have tax-free income after 59 ½ and once retirement has commenced. Tax-free income includes the contributions he/she has made and the investment growth in the account. The taxes will be paid from their paychecks and then deposited into investment funds selected by the employee.

PRO: Tax-free income at retirement, tax-exempt growth and possibility of higher tax brackets

CON: Possibility of lower tax bracket, higher tax liability today and no access to money

PAYOUT OPTIONS

When you retire, you may leave your account balance in the Thrift Plan for Cooperatives as long as you have $1,000 or more.

You may take a lump sum distribution, monthly withdrawals or periodic withdrawals.

You may rollover your account to another qualified plan.

1415 28th Street, Ste. #100, West Des Moines, IA 50266
(515) 226-0303 | corp@associatedbenefits.com | associatedbenefits.com