

FOSTER & WOOD

▶ Sunset Imports, Inc.

401(k) Plan

Summary Guide 2025

# Welcome to the Sunset Imports 401(k) Plan

- ▶ Congratulations on taking your first steps towards a secure life when you retire.
- ▶ Foster & Wood bring over 42 years of combined experience in managing retirement plans.
- ▶ Because they do not allow commissions or any other conflicts of interest in the plans they manage you can confidently ask them questions or seek their advice without worrying about “what’s in it for them.”

## Investment Questions

- ▶ Tim Wood | 971-266-3134 | [tim@fosterandwood.com](mailto:tim@fosterandwood.com)

## Forms, Distributions, Password Resets, Etc.

- ▶ Jeremy Six | 971-366-3513 | [jeremy@fosterandwood.com](mailto:jeremy@fosterandwood.com)

# Plan Highlights – Basic Rules

- ▶ Contribution Maximums
  - ▶ Maximum annual contribution is \$23,500, not to exceed 95% of pay
  - ▶ A catch-up contribution of \$7,500 is available to those over 50 years old
- ▶ Eligibility
  - ▶ Age 21 or over and 1 year of service
  - ▶ Plan entry is 1<sup>st</sup> day of the month following your service requirement
- ▶ Rollovers of previous 401k plan balances are allowed at any time
  - ▶ Don't need to wait for the eligibility listed on the left
  - ▶ Call Foster & Wood if you have questions
- ▶ Loans are available
  - ▶ Under federal rules, the minimum loan balances is \$1,000 and the maximum is \$50,000
  - ▶ Can't exceed 50% of your vested balance

In service distributions are available to employees who are at least 59 ½

# Plan Highlights - Investments

- ▶ Mutual funds
  - ▶ low cost, no commission.
  - ▶ reviewed by your investment advisor and plan's trustees
- ▶ Five professionally managed risk-based portfolios are available
- ▶ You can choose your own mix of funds.
- ▶ Foster & Wood, our plans investment advisor, serves our plan as a fiduciary. They are available to you to answer any questions, help you decide on a long-term investment strategy, or help you with any other investing or retirement question.

# Automatic Enrollment

Automatic Enrollment – Once you are eligible, if you do nothing, you will be automatically enrolled at 2% of your pay (pre-tax) and your savings will be invested for you in a Vanguard Target Date Fund consistent with your age.

Automatic Escalation – Every year your contribution increases by 1% of your pay, on January 1st of the year after you begin saving for your retirement in the plan, up to 10% of your pay at which points the escalation stops.

It is your right to request not to be enrolled if you prefer and you have 60 days after a contribution has been made to request a distribution. **AFTER THIS PERIOD, ANY INVESTED FUNDS MUST REMAIN IN THE PLAN UNTIL RETIREMENT OR YOU CHANGE EMPLOYERS UNDER FEDERAL LAW.**

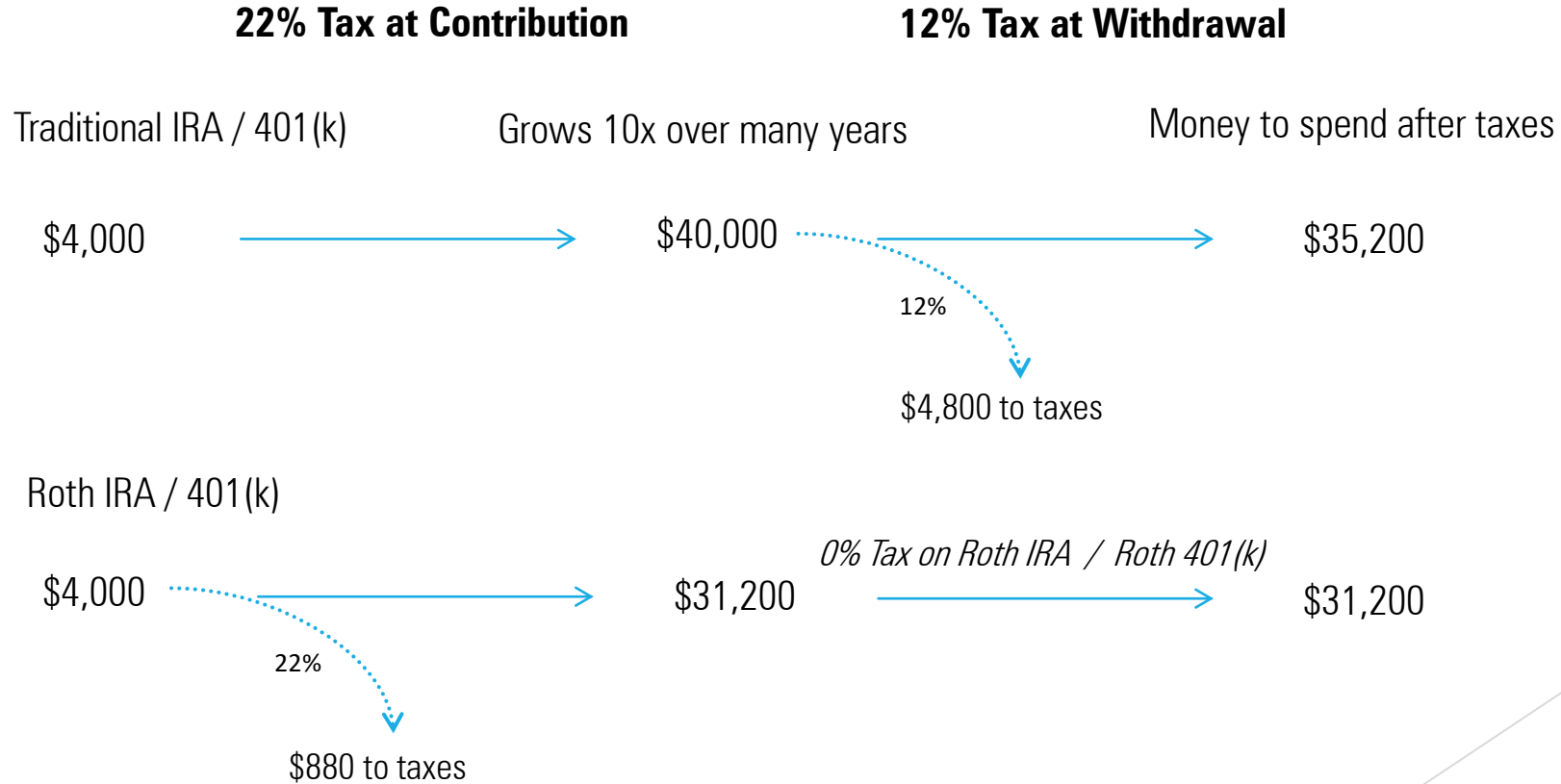
# Plan Highlights – Roth 401(k)

- ▶ Traditional 401(k)
  - ▶ Tax deduction when you contribute
  - ▶ Reduces the tax you pay every pay period
  - ▶ In the future, withdrawals are taxed as income
- ▶ Roth 401(k)
  - ▶ No tax deduction when you contribute
  - ▶ Money comes out tax free
- ▶ Company contributions are never Roth. Matching and Profit Sharing are always counted as Traditional, even if your contributions are Roth contributions
- ▶ You can make traditional contributions, Roth contributions, or a mixture of both, subject to the maximums

# Roth vs. Traditional IRA / 401(k)

Example: Your tax rate now vs. later is the most important consideration

If your tax rate now vs. later is the same, the options are similar



# How Can Auto Features Work For Me?

	Gross Pay	401k Contribution	Taxable Income	State & Federal Taxes	Net Pay	Savings @ 5 Years	Savings @ 10 Years	Savings @ 25 Years
<b>Wage of 10.50 Per Hour</b>	\$840.00	\$ -	\$ 840.00	\$ 142.80	\$697.20	\$ -	\$ -	\$ -
<b>Wage of 10.50 Per Hour</b>	\$840.00	\$ 16.80	\$ 823.20	\$ 139.44	\$683.76	\$2,586.00	\$ 6,163.00	\$ 27,405.00
<b>Difference In Take Home Pay</b>					\$ 13.44			
<b>Contribution @ 5%</b>	\$840.00	\$ 42.00	\$ 798.00	\$ 135.66	\$662.34	\$6,466.00	\$ 15,408.00	\$ 68,413.00
<b>Contribution @ 7%</b>	\$840.00	\$ 58.80	\$ 781.20	\$ 132.80	\$648.40	\$9,053.00	\$ 21,571.00	\$ 95,919.00

# It is Tax Season – Beware of “Free Offers”

## 2024 Saver's Credit

Credit rate	Married filing jointly	Head of household	All other filers*
50% of your contribution	AGI not more than \$46,000	AGI not more than \$34,500	AGI not more than \$23,000
20% of your contribution	\$46,001- \$50,000	\$34,501 - \$37,500	\$23,001 - \$25,000
10% of your contribution	\$50,001 - \$76,500	\$37,501 - \$54,750	\$25,001 - \$38,250
0% of your contribution	more than \$76,500	more than \$57,375	more than \$38,250

# Plan Highlights – Company Contributions

- ▶ Sunset Imports may make a discretionary profit share after the end of the plan year.
- ▶ Any profit sharing is subject to a six year vesting schedule
  - ▶ 0% - Year 1
  - ▶ 20% - Year 2
  - ▶ 40% - Year 3
  - ▶ 60% - Year 4
  - ▶ 80% - Year 5
  - ▶ 100% - Year 6 and beyond

# What is a QDIA?

- ▶ A Qualified Default Investment Alternative (QDIA) is the default fund for the plan and is only used when an employee does not make an affirmative investment selection. If you end up in the QDIA, you can change it any time.
- ▶ The QDIA for the Sunset Imports 401(k) Plan is the Vanguard Target Date Series predicated on your age.
  - ▶ More information can be found Yahoo! Finance or your plan's website.
  - ▶ A QDIA notice will be sent to each of you following this presentation.

# 401(k) Plan Website

- ▶ Website dedicated to your retirement plan
- ▶ [Sunset401k.fosterandwood.com](https://Sunset401k.fosterandwood.com)
- ▶ Login to your account, link to [fosterandwood.com](https://fosterandwood.com), and see important announcements
- ▶ New contact information
  - ▶ Tim Wood | 971-266-3134 | [tim@fosterandwood.com](mailto:tim@fosterandwood.com)
  - ▶ Jeremy Six | 971-366-3513 | [jeremy@fosterandwood.com](mailto:jeremy@fosterandwood.com)

# Call or Email Anytime!

- ▶ Website at [fosterandwood.com](http://fosterandwood.com)
- ▶ Tim Wood | 971-266-3134  
[tim@fosterandwood.com](mailto:tim@fosterandwood.com)
  - ▶ Update your retirement plan
  - ▶ Help with your contribution level or Traditional vs. Roth contributions.
  - ▶ Help picking your investment portfolio
  - ▶ Investment Questions
- ▶ Jeremy Six | 971-366-3513  
[jeremy@fosterandwood.com](mailto:jeremy@fosterandwood.com)
  - ▶ General Help
  - ▶ Website assistance





▶ Foster & Wood, Inc.