

Changes to Your 401(k) Statement Have Arrived

You might notice some changes to your new 401(k) statements.

Back in 2019, Congress passed the SECURE Act, which included legislation to help encourage Americans to utilize 401(k) plans available to most workers. One important part of the Act was included to address an ongoing concern that most American workers do not know what they can really expect to get out of their retirement plans when the time comes. It is one thing to see a current balance, but figuring out what that balance equates to for an income stream is a math problem that eludes most of us.

To mitigate this concern, the Act instructed 401(k) providers to include an illustration of estimated monthly payments on each quarterly statement. These changes are required by the Department of Labor to be included on 401(k) statements beginning the end of June 2022.

There are a few things to keep in mind when you see this new illustration. Most importantly, 401(k) plans are usually invested in variable products which will fluctuate with the stock market. As the last month has shown us, sometimes those gyrations can be drastic. The 401(k) provider has no way of knowing what the balance in the plan will be years down the line when an employee plans to retire. They address this dilemma with a calculation assuming a current value, with no changes or additional contributions, paid out based on an individual's current age, and running for the rest of their life.

If that sounds complicated, that's because it is. The bottom line is this: When your 401(k) provider gives you this additional information on your statement, understand that it is only a guess, based on several assumptions and leaving out crucial information like ongoing additional contributions. If you really want a dependable estimate of what your retirement accounts can do for you, don't hesitate to reach out to us. We have tools at our disposal to take the guessing out of the game to provide real projections based on



Sincerely,

Forrest Millheim, CLTC®

Wealth Solutions Advisor

P: (801) 833-2889

E: forrest@forrestmillheim.com

369 East 900 South, Suite 112
Salt Lake City, UT 84111
Ins. Lic# 431539



Your Planning Partner with Purpose

real rates and real guarantees. Having the ability to plan with a degree of certainty and accuracy is crucial to your retirement, and we're happy to be here and ready to help.



Sincerely,

Forrest Millheim, CLTC®

Wealth Solutions Advisor

P: (801) 833-2889

E: forrest@forrestmillheim.com

369 East 900 South, Suite 112

Salt Lake City, UT 84111

Ins. Lic# 431539

LifetimeWealthSolutions.com