401(k) Plan Participant Monthly Newsletter

September 2021

VOLUNTARY AUTO INCREASE

Most people need to save more - often times a lot more than they expect - in order to build a nest egg that will meet their needs in retirement. You know what you need to save but life sometimes gets in the way of being able to contribute the amount you will need right off the bat.
But the good news is that there is a way to increase your contribution amount by 1% automatically over time so that the impacts to your paycheck are so small that you often times don't even notice it.
If your plan offers online deferral changes through the participant website, you are also able to set up automatic annual increases (up to a deferral amount of 15%) right on the website and you can start and turn the increases off at any time.
If you'd like to set up for higher than 15%, you also have the option of completing a form and can set up increases for once or twice a year to watch your savings grow substantially over time. This form is available on our website - **www.onwardfn.com.**
To see the impact of making changes to your deferral amount, log into the John Hancock participant website at **myplan.johnhancock.com** where you can use their simulator tool to see the projected impact to your take home pay as well as the projected savings amounts over time due to these changes.

MONTHLY WEBINAR

This month's webinar focuses on starting to save for retirement early in your working career. It is never to early to start saving for retirement!
This webinar will be taking place on:
September 21: 8:30 am CST/ 9:30 am EST/ 6:30 am PST
September 21: 11:30 am CST/ 12:30 pm EST/ 9:30 am PST
September 22: 5:00 pm CST/ 6:00 pm EST/ 3:00 PST

Stay tuned for more details and the zoom link to register for this webinar!

Upcoming Seminars

Saving for Retirement in your 20s and 30s — September 2021

Join us to discuss tips for early savers and learn how establishing your retirement plan early can benefit you in retirement. It's never too soon to start saving for your retirement!

Asset Allocation/ Understanding Risk — October 2021

Understanding risk can help you invest smarter and panic less during times of higher volatility in the market. Most people have no idea how this volatility can affect their ability to retire. Join us to learn how an understanding of investment risk and asset diversification can help you make smarter and more confident financial decisions.

Financial Planning/ Distribution Strategies — November 2021

As you near retirement, financial planning and determining your distribution strategy for your retirement assets is more important than ever. Join us as we talk through some strategies and financial planning items that you should keep in mind as your retirement deadline approaches.

Budgeting & Healthy Habits — December 2021

One of the first steps in financial planning and preparing for retirement is getting a clear picture of your full financial situation. It's a fact of life: most of us take on debt at some point. It may not be possible to avoid, but it is possible to manage. Setting up a budget and having a sound plan in place can not only reduce stress, but can increase your overall wellness. Join us for some budgeting strategies and tips on how to get your budget started so you can feel strong and confident about your ability to retire successfully.

SPOUSAL CONSENT - DO YOU LIVE IN A COMMUNITY PROPERTY STATE?

The states having "community property" are Louisiana, Arizona, California, Texas, Washington, Idaho, Nevada, New Mexico, and Wisconsin. Community property states follow the rule that all assets or "marital property" acquired during the marriage are considered "community property" and thus belong to each spouse equally.

This marital property includes earnings, all property bought with those earnings, and all debts accrued during the marriage. Community property begins at the marriage and ends when the couple physically separates with the intention of not continuing the marriage. So, any earnings or debts originating after this time would be considered separate property.

Any assets acquired before the marriage would also be considered separate property, and are owned only by that original owner. A spouse can, however, transfer the title of any of their separate property to the other spouse (gift) or to the community property (making a spouse an account holder on bank account). Spouses can also co-mingle their separate property with community property, for example, by adding funds from before the marriage to the community property funds and those funds then become community property.

Spouses may not transfer, alter, or eliminate any whole piece of community property without the other spouse's permission, but can manage their own half. However, the whole piece includes the other spouse's one half interest. In other words, that spouse cannot be alienated the one half that belongs to them without their consent.

Separate property includes:

- Property owned by just one spouse before the marriage
- Property given to just one spouse before or during the marriage
- Property inherited by just one spouse
- Community property includes:
- Money either spouse earned during the marriage
- Things bought with money either spouse earned during the marriage
- Separate property that has become so mixed with community property that it can't be identified

How does this affect your 401(k)?

Well, this means if you live in a "community property" state, your spouse is required to be the beneficiary of your 401(k) account and may also be entitled to a portion of your 401(k) account if you should divorce.

Should you want to name someone other than your spouse as your primary beneficiary or assign a partial amount of your account to someone else, your spouse must sign a *Spousal Consent* form in the presence of a notary public. Once the *Spousal Consent* is on file, you can name anyone of your choosing to be your primary beneficiary. See us for a copy of this form.

THE VALUE OF COMPOUNDING INTEREST

Compound interest is the interest you earn on interest. It is the result of reinvesting interest rather than paying it out, so that interest the next period is then earned on the principal sum plus previously accumulated interest.

This concept can be illustrated by using basic math: if you have $100 and it earns 5% interest each year, you'll have $105 at the end of the first year. At the end of the second year, you'll have $110.25. Not only did you earn $5 on the initial $100 deposit, you also earned $0.25 on the $5 in interest. While 25 cents may not sound like much at first, it adds up over time. Even if you never add another dime to that account, in 10 years you'll have more than $162 thanks to the power of compound interest, and in 25 years you'll have almost $340.

Taking even larger numbers into consideration, a $10,000 investment, for example, could potentially yield up to $**2.3 MILLION*** over a 30 year period due to compounded interest. The longer your money is invested, the more compounding can potentially grow those assets so the earlier you start saving, the more of an impact compounding will have on your savings.

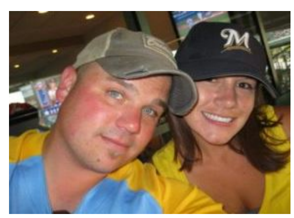
*potential for growth depends on funds selection - past performance does not guarantee future results.

DON'T SKIP THE MATCH!

On average, employees leave $**1,336** in matching funds on the table each year - don't make the same mistake!

For information on whether your employer offers a match and how to achieve it, please reach out to us!

MEET OUR TEAM: KRISTEN MASSIE



Kristen joined Onward Financial Network in August 2016 as an Associate Wealth Management Advisor. Primarily she works side by side with Greg in the Wealth Management department and meets with individuals to work on their financial plans and goals. Kristen, her husband and son Sean live in Mount Calvary. Her other son, Trevor, lives in Fond du Lac. They enjoy country living as they are originally from Upper Michigan and love traveling to the UP to visit their families in the summer months but try to stay away in the winter as the weather is unpredictable!

ONWARD FINANCIAL NETWORK
Objectivity / Competency / Attention to Detail

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